FRANCHISE DISCLOSURE DOCUMENT

THE BEEF JERKY OUTLET FRANCHISE, INC.
a Tennessee corporation
2849 Winfield Dunn Parkway, Unit 250
Kodak, TN 37764
(865) 934-8000
www.beefjerkyx.com
franchise@beefjerkyx.com

~~As~~We offer a "Beef Jerky Experience" ~~franchisee,~~franchise where you will sell specialty food items on a retail store basis featuring an exceptional variety of proprietary jerky products, sausages and smoked meats, sauces, rubs, seasonings, marinades, jams, peanut and/or other nut butters, jellies, peanuts, popcorn, candies, cheeses, and other similar foods.

The total investment necessary to begin operation of a Beef Jerky Experience franchised business ranges from $~~196,750~~193,250 to $~~407,400~~406,900. This includes between ~~$69~~$66,400 to $~~76,900~~74,400 that must be paid to the franchisor and/or its affiliate. The total investment necessary to begin operation as a two (2) Store Multi-Unit Operator ranges from $~~201,750~~199,250 to $~~412,400~~411,900. This includes $~~71~~68,900 to $~~79,400~~76,900 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Scott Parker at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764, (865) 934-8000, scott.parker@beefjerkyx.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide*

to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit 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: February 1, ~~2025~~2026

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?	Item 19 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 Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Beef Jerky Experience Franchise business in my area?	Item 12 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?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Beef Jerky Experience franchisee?	Item 20 or Exhibits E and F list 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 table of contents.

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WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business mode can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

SOME STATES REQUIRE REGISTRATION

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted.

1. **Out-of-State Dispute Resolution**. The franchise agreement and multi-unit development agreements require you to resolve disputes with the franchisor by arbitration and/or litigation only in Tennessee. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Tennessee than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Turnover Rate**. During the last 3 years , a high percentage of franchised outlets (more than 35%) ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is The Beef Jerky Outlet Franchise, Inc. and will be referred to in this disclosure document as "Company," "we," "us," or "our." "You" means the person to whom we grant a franchise. If you are a corporation, partnership, Limited Liability Company or other business entity, your owners must sign our "Guaranty and Assumption of Obligations" (which is Exhibit 3 to our Franchise Agreement), and all of the provisions of our Franchise Agreement also will apply to your owners.

We are a Tennessee corporation formed on March 15, 2010. Our principal business address is 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764. We formerly franchised stores under the name "Beef Jerky Outlet," and the trademarks described in Item 13 (the "Marks" or "Proprietary Marks"). As of the date of this Disclosure Document, we will be franchising Beef Jerky stores ~~only~~ under the name "Beef Jerky Experience" and our Marks. In this Disclosure Document, reference to "Beef Jerky Stores" shall mean both "Beef Jerky Outlet" and "Beef Jerky Experience." The franchise are referred to in this disclosure document as a "Store" or "Stores," as applicable. We do not own or operate any other business of the type being franchised. We are in the business of owning and franchising Beef Jerky Stores. We have offered franchises Beef Jerky Stores since August 2010~~.~~..

Our agents for service of process are disclosed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor. We have affiliates as follows:

Our first affiliate is Paul Lyons Enterprises, Inc. ("PLE"), a Michigan corporation located at 1633 Kirkton Drive, Troy, Michigan 48083. This entity is principally owned by Paul Lyons, our President. PLE does business under the trade name "Up North Jerky." Using the "Up North Jerky" trade name, PLE is an approved supplier and distributor to our franchisees for some of our proprietary Beef Jerky Experience specialty food products. Prior to establishment of the franchise being offered to you, Up North Jerky sold beef jerky products to retailers throughout the United States. However, PLE no longer sells beef jerky products to any new retailer other than to our franchisees and through our Franchise System. PLE does not own or operate a business of the type being franchised.

Our second affiliate is Beef Jerky Outlet of TN, Inc. ("BJO-TN"), a Tennessee corporation located at our address. BJO-TN owns and operates five retail store locations of the type being franchised in Kodak, Tennessee (open since October 2006); one in Gatlinburg, Tennessee (open since November 2008); one in Sevierville, Tennessee (open since 2009); and one in Pigeon Forge, Tennessee (open since 2013). A fifth location was established in late 2014 in Pigeon Forge, Tennessee that is owned in part with 2 Brothers, LLC.

Our third affiliate is Prestige Oil Inc. ("Prestige Oil"), a Michigan corporation headquartered at 109 Cabela Blvd. E., Dundee, Michigan 48131. Prestige Oil owns and operates one retail store location of the type being franchised since December 2007.

Our fourth affiliate is BJOH, LLC. ("BJO Holdings, LLC"), a Tennessee limited liability company which was established as a holding company. This company was created on July 29, 2015. It is located at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764.

Our fifth affiliate is Peanut Butter Venture, LLC (PBV, LLC), a Tennessee limited liability company. Beef Jerky Outlet Franchise, Inc. is the majority member in the company. This company was created on November 1, 2025. It is located at 2009 Breakers Point, Knoxville, TN 37922. This company will be responsible for developing relationships with potential peanut and/or nut butter vendors.

None of our affiliates has ever offered franchises in this or any other line of business.

Description of ~~Franchise~~Franchises

A Beef Jerky Experience franchise is a specialty retail store that features an exceptional variety of jerky products, sausages and smoked meats, sauces, rubs, seasonings, marinades, jams, peanut and/or other nut butters, jellies, peanuts, candies, cheeses, and other similar foods under the Proprietary Marks, including "Beef Jerky Experience®." If you purchase a franchise, you must offer the products and services we specify and operate your Store according to our business formats, methods, procedures, designs, layouts, standards, and specifications (the "System"). If you are building a free-standing ~~Beef Jerky Experience~~ location, you will need between 800-1200 square feet of retail selling space for your Store. If you choose to develop the ~~BJE~~ Fueling Station Model, your square footage will vary depending on the location layout.

For existing franchisees, we offer the opportunity to open a "Pop-Up Location" within your Designated Territory. A "Pop-Up Location" is defined as a temporary site to be operated for a maximum of one hundred (100) consecutive days per year, generally leased within malls, neighborhood strip centers, and retail centers/boardwalks catering to individuals/families on vacation by landlords with vacant sites.

In addition to our standard permanent store location franchises, we also offer to operate a "Flex/Seasonal" franchise location. The initial franchise fee is the same as for a standard permanent store location. A "Flex/Seasonal Location" is defined as a site to be operated from a period ranging from four (4) to eleven (11) months, with a maximum of three hundred thirty-five (335) days per year. This type of location will be either modular or a full buildout as shown in the "Flex/Seasonal" Store Opening Guide. Our approval will be based on the same factors as disclosed above pertaining to the operation of year-round franchise stores. There may be fees for the expense of managing your website and customer contacts during your closing periods, the amount of which will depend on the length of your operating season.

If you choose to operate a "Flex/Seasonal" location, you will be required to create a season ending inventory closing plan prior to each applicable season that will address one or more of the

following options concerning shelf-life/inventory date of expiration issues: 1) open a Pop-up location, to be operated during the closed portion of this Flex location, 2) transfer the inventory to your permanent location (if applicable), 3) operate at festivals and trade shows, 4) discount the product to sell through inventory at the end of each season, 5) donate or gift the products, or 6) sell the remaining inventory to a nearby BJE owner with an open Store.

For purposes of this Disclosure Document and all agreements that you sign will be referenced as a "Store" and shall include all manner of franchise operations including the traditional year-round free-standing site, Flex/Seasonal, Pop-Up and Fueling Station models regardless if you purchase a Beef Jerky Express franchise. If we approve your application to become a franchisee, you will sign our Franchise Agreement (Exhibit B to this Disclosure Document).

The Franchise Offered

We offer the right to establish and operate a Store under the terms of our single unit Franchise Agreement at a location that we have approved. You may be an individual, corporation, partnership or other form of business enterprise. Under the Franchise Agreement, certain persons are characterized as a franchisee's principals (referred to in this Disclosure Document as "your Principals"). The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as controlling Principals ("Controlling Principals"). In most instances, we will designate your equity owners, executive officers, and certain affiliated entities as Controlling Principals. By signing the Franchise Agreement, your Controlling Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement (see Item 15). Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements.

You must also have a "Highly Trusted Individual," who will be the main individual responsible for operating your Store. Our definition of a "Highly Trusted Individual" is someone that is a close friend, family member or relative of one of the owners who can assist with managing the franchised location if the owner does not reside within 100 miles from the Store.

Should you choose to do so, you may execute a Reservation Agreement (Exhibit L) before you sign a Franchise Agreement. The Reservation Agreement will reserve for you for a period of six (6) months, the right to establish a Beef Jerky Experience Franchise Business within a specific geographic territory that will be mutually determined and identified in an appendix to the Reservation Agreement. A Reservation Fee will be required and is partially refundable as described by Item 5, unless you choose to extend the reservation term for an additional period of six (6) months, in which case the Reservation Fee is not refundable but is applied to your Initial Franchise Fee if you execute a Franchise Agreement. If we choose in our discretion to terminate the Reservation Agreement before you sign a Franchise Agreement for reasons unrelated to the viability of your Reserved Territory, your entire Reservation Fee will be fully refunded.

Multi-Unit Operator Agreement

In certain circumstances, we will offer to you the right to sign a Multi-Unit Operator Agreement (the "Multi-Unit Operator Agreement") in the form attached as Exhibit C to this Disclosure Document to open two (2) Stores. These stores may or may not be located within a specifically described geographic area. Under the Multi-Unit Operator Agreement, you must establish two (2) ~~Beef Jerky Experience~~ Stores according to a development schedule and sign a separate Franchise Agreement for each Store established under the Multi-Unit Operator Agreement. The Franchise Agreement for the first Store opened under the Multi-Unit Operator Agreement will be in the form attached as Exhibit B to this Disclosure Document and will be signed at the same time you sign the Multi-Unit Operator Agreement. For the second Store developed under the Multi-Unit Operator Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which Franchise Agreement may contain different terms and conditions from that in this Disclosure Document which you will sign for your first franchise location~~;,;~~ including but not limited to different royalties, advertising fees and other payments and costs that may be incurred.

Market and Competition

The primary market for the products and services you will offer includes the general public. You will compete with other businesses offering similar retail food items, including grocery stores, club stores and specialty food stores. These competing businesses may be national or regional chains, independently owned or franchised, that offer similar products and services to their customers. You may also compete with ~~on-line~~online stores offering similar products. One of our owners, Mike Grillo, owns and operates Michigan Brand, Inc., a USDA meat plant in Northern Michigan. Michigan Brand is not our affiliate, but it may be a Designated Supplier with PLE. Michigan Brand is in the business of manufacturing and wholesaling refrigerated and shelf stable jerky to resellers in the United States. Any product developed for Beef Jerky Stores by Michigan Brand is not sold to any other person or entity that is not operating as a Beef Jerky Store. You may encounter competitors in your area who are purchasing jerky products manufactured by Michigan Brand.

Industry Specific Laws

The retail food industry is regulated on the federal, state and local levels. You must comply with all local, state, and federal laws that apply to your Store's operations. The preparation and handling of food is federally regulated by the Pure Food and Drugs Act of 1906; the Federal Food, Drug and Cosmetic Act, Americans with Disabilities Act and by rules and policies of the Food and Drug Administration. State requirements relating to food safety typically pertain to sanitation and handling. Local inspectors may also enforce sanitation and handling rules created on the state and/or local level.

Among the licenses and permits you may need are: Zoning or Land Use Approvals, Sunday Sale Permits, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Health Permits, Alarm Permits, County Occupational Permits, Retail Sales Licenses, Chain Store Permits, Dairy Permits, and Wastewater Discharge Permits. There may be

other laws, rules or regulations which affect your Store, including minimum wage and labor laws, discrimination, employment, and sexual harassment laws, along with ADA, OSHA and EPA considerations. We recommend that you consult with your attorney concerning these and other laws and ordinances that may affect the operation of your Store.

ITEM 2
BUSINESS EXPERIENCE

CEO– Scott Parker – Kodak, Tennessee

Mr. Parker has been our CEO since January 1, 2016.

President – Paul Lyons – Troy, Michigan

Mr. Lyons served as President from January 1, 2016, until January 2021. From January 2021 to January 2022, he served as our Chairman and then resumed the position of President in January 2022

Vice President – Michael Grillo – Frankenmuth, Michigan

Mr. Grillo has served as our Vice President since our inception in March 2010

Operations Officer | Marketing, Training + Data – Jennifer Szlachta – Troy, Michigan

Ms. Szlachta has been our Operations Officer since January 2022. Her position includes Franchise Relations, Data Analysis, Marketing, Field Support development and Training. Ms. Szlachta served as the Director of Marketing and Training from January 2018 to December 2021.

Chief Financial Officer – Lawson Sharp – Easton, Maryland

During the past ~~five (5) Years~~six (6) years Mr. Sharp has served as our Chief Financial Officer on a non-employee consulting basis.

-Vice President of Development & Finance – Steve Lyons – Troy, Michigan

Mr. Lyons was promoted to Business Development Officer in January 2021. He served as our Director of Franchise Development from January 2018 to January 2021

Operations Officer | Vendor Relations + Communications – Victoria ~~Scott~~ Monghi – Kodak, Tennessee

Ms. Monghi's role since January 2021 is Operations Officer of Vendor Relations and Communications with an overlap with the BJE Field Team. From July 2018 through December

2020, Ms. Monghi served as ~~Beef Jerky Experience's~~our Vendor Support Manager, working to help maintain and grow over 35 vendor partnerships for the franchise community.

Operations Officer | Franchise Development Marketing + IT – Brittany Pardue – Kodak, Tennessee

Ms. Pardue's role since March 2022 has been as Operations Officer of Franchise Development Marketing and IT. From 2016 to 2018, Ms. Pardue served as a Marketing Specialist working and training owners on a daily basis. From August~~,~~ 2018 to March~~,~~ 2022, Ms. Pardue served her local community as a teacher before returning to Beef Jerky ~~Experience~~Outlet Franchise, Inc. full-time.

Director of National Franchise Development – Bill Szlachta – Troy, Michigan

Mr. Szlachta was promoted to Director of Franchise Development in January 2021. From March 2018 to January 2021, Mr. Szlachta assisted in location analysis. From March 2019 to January 2021, he was engaged as Senior National Franchise Sales Development.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Reservation Agreement. If you choose to reserve a specified geographic territory ("Reserved Territory") before you sign a Franchise Agreement, you must execute a Reservation Agreement by paying a Reservation Fee of $10,000 that will be applied to your Initial Franchise Fee at the time you sign the Franchise Agreement. The term of the Reservation Agreement is six (6) months, during which time we will visit and review your Reserved Territory at a time and date we will mutually determine. We will then further analyze and approve or reject, at our sole discretion, the viability of the Reserved Territory for the establishment of a ~~Beef Jerky Experience~~ Store in such territory. If we approve the Reserved Territory but you determine not to execute a Franchise Agreement, we will refund $~~7500~~7,500; if we do not approve the Reserved Territory, we will refund $~~8500~~8,500. All refunds are subject to execution of a mutual release.

If you choose to extend the Reservation Agreement for an additional six (6) months, your Reservation Fee will be non-refundable in consideration of the extension granted to you. During the term of the Reservation Agreement (including any six (6) month extension if applicable), and prior to execution of a Franchise Agreement, you understand and acknowledge that we may at our sole discretion choose to terminate the Reservation Agreement for any reason in our reasonable

business judgment exercised in good faith. If we exercise this option for reasons unrelated to our determination of the viability of the Reserved Territory, we will refund the entire Reservation Fee in full to you upon execution of a mutual release agreement.

If you are a current Franchisee in our System, you may also choose to enter into a Reservation Agreement for a specific geographic territory for a new Location before signing a new Franchise Agreement. In such event, the Reservation Fee will be $2,500 and applied against a full franchise fee of $5,000. When your new site has been determined, the remaining fee of $2,500 will be due at the time of signing the Franchise Agreement. The initial $2,500 is non-refundable if a location is not determined within one (1) year.

Franchise Agreement. You must pay us an initial franchise fee of $49,900 for all ~~forms~~first Store location of franchises other than a Pop-Up location, payable in a lump sum when you sign the Franchise Agreement, for the right to establish a single Store. If you are a qualified United States veteran, we will reduce the initial franchise fee (for your first Store only) by 20%. The initial franchise fee is therefore not imposed uniformly on all franchisees. After the purchase of your first franchise, we charge an initial franchise fee of $~~50000~~5,000 for your second location of any kind, payable in full upon the execution of the then current Franchise Agreement.

In ~~2024~~2025, we did not discount the initial franchise fee for any franchisee.

The initial franchise fee is not refundable under any circumstances.

Pre-Opening Purchases/Charges.

Jerky Stores - You must purchase from our affiliate, PLE, a portion of your initial inventory of specialty food products, including jerky products, sausages, smoked meats and other specialty food items. We estimate that the cost of these items will be between $12,500 to $20,000. There are no refunds.

~~———~~At the time of signing the Franchise Agreement you must also pay us ~~the sum of $5,000 for your business kickstart assets. This includes $1,100 payable~~a Business Kickstart Asset Fee ranging from $4000 to ~~us for technology and will remit to~~ $4500for Unifi ~~the balance of $3,900 for your bookkeeping~~accounting services ~~during~~and our technology set-up depending on the ~~initial twelve (12) months~~type of ~~operation of your~~ franchise~~. We~~ you purchase as described in Item 7. In the event that you open additional franchise locations your Business Kickstart Asset Fee will ~~hold these funds for you and remit payment to marketing vendors when they are due.~~be reduced as described in Item 7. If you do not open the franchise, we will refund any unused portion of this fee to you.

All initial fees and pre-opening charges apply ~~both to a stand-alone Store and fueling station Store.~~to any franchise purchased.

Multi-Unit Operator Agreement. If you sign a Multi-Unit Operator Agreement with us, the initial franchise fees you pay under the individual Franchise Agreements will be $49,900 for the first Store and $5,000 for each additional Store you develop. When you sign the Multi-Unit Operator Agreement, you must pay us a development fee equal to 100% of the initial franchise fee

for the first Store to be developed ($49,900) and sign a Franchise Agreement for this first Store, plus a deposit equal to 50% of the reduced initial franchise fee ($2,500) for the second Store to be developed under the Multi-Unit Operator Agreement. For your first Store, we will apply a portion of the development fee to pay the initial franchise fee in full. For each Store developed after the first one, we will apply a pro rata portion of the development fee towards the initial franchise fee due under the then current Franchise Agreement and the balance of the initial franchise fee due, or $2,500, is payable when you sign the Franchise Agreement for the Store. We reserve the right to adjust this formula depending upon the size of the area and the financial ability of the Multi-Unit Operator. The development fee must be paid in a lump sum and is non-refundable.

For example, for two (2) Stores, your development fee is calculated as: $49,900 + (1 x $2,500) = $52,400. The balance of the Franchise Fee of $2,500 will be paid when you sign the second Franchise Agreement.

There are no other payments to or purchases from us or any affiliate that you must make before your Store opens for business.

ITEM 6
OTHER FEES

Name of Fee (1)	Amount	Due Date	Remarks
Royalty	6% of Gross Sales	Payable on Tuesday of each week for the week ending Sunday (or the next business day if any Tuesday is not a business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday. Amounts due will be withdrawn by Electronic Fund Transfer (EFT) from your designated bank account. See Note 2
Brand and Technology Fee	2% of Gross Sales	Payable at the same time and in the same manner as the Royalty Fee	We may increase the Brand and Technology Fee, up to a maximum of 4% of Gross Sales, with 30 days prior notice to you. The Brand and Technology Fund is described in Item 11.
Periodic Conference	Up to $499	On or before Conference	If we are determined to hold a periodic conference for our franchisees.

Name of Fee (1)	Amount	Due Date	Remarks
Corporate Training Location Training Program (New or Additional Trainees)	~~Our then-current fee~~$500 per day per person~~,~~ plus expenses ~~Current training fee = $500 per day~~	Before training	We will train you and/or your Highly Trusted Individual at no additional charge. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional Training at Your Location - On-Site Training or Assistance	~~Our then-current~~$500 per ~~diem fee~~day per trainer, plus expenses ~~Current per diem fee = $500-$1500~~	When incurred	If you request that we provide additional training at your Store, or if we determine that you need additional training, you must pay our daily fee for each trainer we send to your Store, and you must reimburse each trainer's expenses, including travel, lodging and meals
Transfer Fee: • Franchise Agreement • Multi-Unit Operator Agreement • Internal Transfer from franchisee to franchisee	$10,000 2 or more = $15,000 $5,000 per location	Closing date of transfer	No fee charged for: (i) a one-time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise, (ii) transfer to a family member we approve, (iii) transfer to family member due to death or disability
Renewal	$2,500	When you sign the renewal franchise agreement	

Name of Fee (1)	Amount	Due Date	Remarks
Relocation Assistance	Reimbursement of our costs (estimated to be $750 to $1,500)	On demand, if incurred	If you request our assistance to relocate your Store
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the business or for costs associated with defending claims that you used the Marks in an unauthorized manner.
Costs and Attorneys' Fees	Will vary under the circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.
Customer Service	Reimbursement of our costs in assisting your customers	On demand	If we decide it is necessary for us to provide a service directly to your customers. Costs you must reimburse include a per diem fee of $600/day plus travel and living expenses for our representative
Interest on Overdue Amounts	The lower of 1.5% per month or the highest rate we can charge by law	If incurred	Interest is payable on any amounts owed to us or our affiliates that are not paid when due. Interest accrues from the original due date until payment is made in full.
Non-sufficient Funds (NSF) charge	$35 per NSF occurrence	If incurred	We will ACH access a $35 fee for each NSF from your bank.

Name of Fee (1)	Amount	Due Date	Remarks
Audit	Cost of audit (estimated to be between $1,500 and $5,000)	On demand	We have the right to audit your books at any time. If an audit shows that you have understated Gross Sales, or any amount owed to us by 3% or more or that you have not conducted the minimum local marketing requirement, you must reimburse the costs of the audit, including fees and expenses. You must also pay any understated amount plus interest.
POS System ~~and Loyalty Maintenance and Support~~	$~~119~~39-$350	Monthly	Payable to supplier
Technology and Systems Set Up Fee (including Apple iPad)	$1,~~100~~200 to $1,630	Upon signing Franchise Agreement	Us
Technology Subscription, Loyalty/Gift Card connection + maintenance, and Support Fee: including store and owner email, email marketing subscriptions and local website profiles	$~~100~~85-$250	Monthly- Prorated upon activation and then billed on the 1st of every month. Payable in the same manner as the Royalty Fee	Us
SMS Text Marketing + Email Marketing to customers	$100-$1,000 based on data size paid per text message	As incurred; bill at the end of each month through our system	Us

Name of Fee (1)	Amount	Due Date	Remarks
Store Refresh: Repair, Maintenance, and Remodeling/ Redecorating	Will vary under the circumstances	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Store and its equipment. We may require you to remodel or redecorate your Store to meet our then-current image for all Beef Jerky Stores. We will not require you to remodel or redecorate your Store more frequently than every five years
Product Purchases	Will vary, depending on how quickly inventory is sold	As incurred	You must purchase your continuing supply of certain specialty food products from our approved or other authorized vendors. Shipping charges to you will vary depending upon distance from vendors to your franchise site
Prohibited Product or Service Fee	$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Insurance Premiums	Reimbursement of our costs, plus 10% administrative fee	On demand	If you do not maintain the required insurance coverage, we have the right (but not the obligation) to obtain insurance on your behalf
~~Social Media – Customer Contact Management~~		~~As incurred; bill at the end of each month.~~	

Name of Fee (1)	Amount	Due Date	Remarks
Management Fee	~~Our then-current~~$600 per ~~diem fee~~day perday per representative, plus expenses ~~Current per diem fee = $600~~	If incurred	We may step in and manage your Store in certain circumstances, such as your death, disability or prolonged absence. We will charge a management fee in addition to the other fees we charge if we manage your Store. You must reimburse our expenses.
Damages for Loss of Bargain on Termination	See Note 3	On termination	You must pay us liquidated damages if the Franchise Agreement is terminated before the end of the term, except for termination by you for cause.
Noncompliance Fee	$500 first offense; $1,000 each offense thereafter	When assessed	We may withdraw on ETF basis. The fee applies if you are not in compliance with the Franchise Agreement and may be implemented without issuance of a written notice of default.

Notes

1. All fees described in this Item 6 are non-refundable and apply to both the stand-alone Store and Fueling ~~station~~Station Store concepts~~.~~. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us or our affiliates. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

2. For the purposes of determining the fees to be paid under the Franchise Agreement, "Gross Sales" is defined as all revenue, less any returns or credits, from the sale of all products and services and all other income of every kind and nature at or from the Store or otherwise related to the Store, including any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales do not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any customer refunds or adjustments.

If you do not report the Store's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand and Technology Fee that we debited. If the Royalty Fee and Brand and Technology Fee we debit are less than the fees you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand and Technology Fee we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

3. If the Franchise Agreement is terminated before its expiration (other than termination by you for cause), we may recover from your damages attributable to the loss of bargain resulting from that termination. The damages for our loss of bargain will be the present value of the royalty fees that you would have paid to us for the lesser of: (i) the balance of the term of the Franchise Agreement if the Franchise Agreement had not been terminated; or (ii) 104 weeks. The royalty that you would have paid to us will be calculated by taking the average weekly amount of those payments for the twelve-month period [or such lesser period if you were not in operation for a full twelve-month period] immediately preceding the date of termination and multiplying that amount by the number of weeks left in the term of the Franchise Agreement at the time of termination (maximum of 104 weeks).

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	$49,900	Lump Sum	When Franchise Agreement is signed	Us
Rent – 3 Months (2)	$7,500-$40,000	As Agreed	Per Lease	Landlord
Leasehold Improvements (3): Materials Demo/Space Rehab Architect	 $3,500-$35,000 $10,000 - $50,000 $2,500-$6,000	As Agreed	As Agreed	Contractor and Suppliers
Fixtures, -Furnishings and Equipment (4)	$60,000-$106,000	As Agreed	As Agreed	Suppliers
Signage (5)	$5,000 - $12,500	As Agreed	As Agreed	Suppliers
Initial Inventory (6)	$30,000 - $50,000	As Agreed	As Agreed	Our Affiliate and Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Security Deposits (7)	$4,000 - $10,000	As Agreed	As Agreed	Landlord and Utility Companies
Insurance – 3 Months (8)	$750-$3,000	As Agreed	As Agreed,	Insurance Companies
Business Kickstart Assets (9) & ~~Website~~ Technology Fee	$~~5,000~~4000 - $4,500	As Agreed	When Franchise Agreement signed	Suppliers or Us
Franchisor Travel and Living Expenses For On-site Training (10)	$3,000 - $7,500	As Agreed	As Agreed,	US
POS /Back Office Computer Equipment and Supplies; (11)	$~~4,500~~3,000 - $7,500	As Agreed	As Agreed,	Suppliers
Permits/Licenses (12)	$100 - $2,500	As Required	As Incurred	Government Agencies
Professional Fees (13)	$1,000 - $2,500	As Agreed	As Agreed	Attorney, Accountant
Additional Funds – 3 Months (14)	$10,000 - $20,000	As Needed	As Incurred	Various
Total (15)	**$~~196,750~~193,250 to $~~407,400~~406,900**			

In general, none of the expenses listed in the above chart are refundable, except potentially any security deposits you must make. We do not finance any portion of your initial investment. The expenses listed above are applicable both to the stand-alone franchise and fueling station model franchises we offer.

Explanatory Notes

1. ***Initial Franchise Fee***. We describe the initial franchise fee in Item 5. The initial franchise fee does not include any discount for which you may qualify. If you have signed a Reservation Agreement and paid the $10,000 Reservation Fee, this amount will be credited toward your Initial Franchise Fee.

2. ***Rent***. If you do not own adequate or appropriate space, you must build or lease the space for your Store. Our estimates assume that you will lease the space for your Store. The

typical space for a ~~Beef Jerky Experience~~ Store ranges from 800 to 1,200 square feet. Rents will vary depending upon factors including size, condition and location of the leased premises, the local real estate market conditions and competition for the leasable space. Our estimate in the chart includes an estimate for the first three months of rent. In addition, some landlords may require additional security deposits or rental payments when you sign a lease. You should carefully investigate and evaluate all of the potential costs associated with a particular franchise location. The estimates provided in the chart do not include construction costs.

If you choose to purchase real property on which to build your Store, your initial investment will be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. ***Leasehold Improvements, Labor, Architect Fees***. Your leased space will need leasehold improvements to meet our then-current image for all ~~Beef Jerky Experience~~ Stores. The leasehold improvements will include flooring, wall coverings, and the like. The actual cost of your leasehold improvements will depend on labor rates for the area in which your Store is located, whether you must use union labor, the condition of the leased premises, how much the premises must be renovated and the cost of building materials. Our estimate also includes the costs for any blueprints or construction plans you must have. It is possible that additional expenses beyond those stated in this chart for labor, permits, build-out and architectural plans may be incurred in certain areas such as major malls or downtown urban areas.

4. ***Equipment, Furnishings and Fixtures***. You must purchase and/or lease and install furniture, fixtures and equipment, from our approved vendor, necessary to operate your Store. Installation charges for equipment are included in our estimates. The cost of the furniture, fixtures and equipment may vary according to local market conditions, suppliers and other related factors. The typical furniture, fixtures and equipment you will need include a check-out counter, display racks and bulk food barrels and refrigeration equipment.

5. ***Signage***. You must obtain the interior and exterior signage we require for your ~~Beef Jerky Experience~~ Store. All signage must comply with the terms of your lease and applicable local law.

6. ***Initial Inventory***. Our estimate includes the inventory of retail food products, specialty food products and other merchandise, as well as shopping bags, bulk food bags, and similar items.

7. ***Security Deposit***. Our estimate assumes that you will need to pay a security deposit to your landlord for the leased space, and that your local utility companies (such as electric and telephone) require security deposits.

8. ***Insurance Premiums***. You must maintain the insurance that we require (see Item 8) during the entire term of the Franchise Agreement. Your insurance premiums may be payable

monthly, quarterly, semi-annually or annually, depending on your insurance company's practices.

9. ***Business Kickstart Assets and ~~Website~~ Technology Fee.*** ~~—~~Upon execution of your Franchise Agreement, depending on the type of franchise you have purchased, we will require payment of $~~5,000~~1,200 to $4,500 for costs incurred for the ~~Website~~ Technology ~~fee~~Fee and provision of bookkeeping accounting services with our Vendor, Unifi, during the first ~~twelve (12~~six (6) months of store operation.~~o . We will pay $1,100 to our technology vendor and will pay Unifi the balance of $3,900 for your bookkeeping services f during the initial twelve (12) months of operation of your franchise.~~ After expiration of the initial ~~twelve (12~~six (6) months you will be billed directly by Unifi for their bookkeeping services. The specific amounts that you will pay for bookkeeping accounting services and Technology are set forth by the charts below depending upon the type of franchise you can purchase. We will waive ~~this~~the initial Kickstart Asset and Technology Fee requirement for franchisees desiring to enter into a renewal franchise agreement ~~or executing a franchise agreement for an additional franchise location~~, if franchisee is in compliance with Article 10 of their existing franchise agreements regarding submission of financial data.

Business Kick Start Assets/~~Website~~ Technology Fee ~~- $5,000~~

First Location - Permanent and Flex/Seasonal for Jerky

Vendor	Description	Time Frame	Monthly Cost	Total
Unifi	Full Accounting Services	6 months	395.00	2,370.00
Technology Set Up	Email and Website setup, POS onboarding, iPad Processing			1,630.00
Additional Support Included	Training, Support on site, Store Layout, Product & Pricing Review and Ordering Support			-
	Total			4,000.00

Business Kick Start Assets/Technology Fee
First Location - Fueling Station Model

Vendor	Description	Time Frame	Monthly Cost	Total
Unifi	Full Accounting Services	~~12~~6 months	~~325~~ 550.00	3,~~900~~300.00
~~Website~~ Technology ~~Fee~~Set Up	-Email and Website setup			1,~~100~~200.00

Data Sync Platform	Fueling Station Models are required to purchase and maintain the cost of a data sync platform		Cost may vary by supplier. This is not included in the below cost.	-
Additional Support Included	Training, Support on site, Store Layout, Product & Pricing Review and Ordering Support			-
	Total			~~5,000~~ 4,500.00

Business Kick Start Assets/Technology Fee
Additional Locations - Permanent and Flex/Seasonal for Jerky

Vendor	Description	Time Frame	Monthly Cost	Total
Technology Set Up	Email and Website setup, POS onboarding, iPad Processing			1,250.00
Additional Support Included	Training, Support in site, Store Layout, Product & Pricing Review and Ordering Support			-
	Total			1,250.00

Business Kick Start Assets/Technology Fee
Additional Locations - Fueling Station Model

Vendor	Description	Time Frame	Monthly Cost	Total
Technology Set Up	Email and Website setup			1,200.00
Data Sync Platform	Fueling Station Models are required to purchase and maintain the cost of a data sync platform		Cost may vary by supplier. This is not included in the below cost.	-
Additional Support Included	Store Layout, Product & Pricing Review and Ordering Support			-
	Total			1,200.00

10. ***Travel and Living Expenses ~~For~~for On-site Training***. We will provide you and your Highly Trusted Individual with our initial training program at your site. The estimated expenses we will incur, and you are responsible for, include travel expenses, car rental, hotel, meals for two (2) BJOF Home Office individuals. Your actual costs will depend on the season of opening and location.

11. ***POS System***, ***Initial Technology Set-Up***, ***Office Equipment and Supplies***. You must purchase your POS System from our designated supplier. You must also purchase general office supplies including a back-office computer, business cards and basic office equipment.

12. ***Licenses and Permits***. You must obtain the operational and professional licenses and permits required by applicable local and state law. All required licenses and permits must be in place prior to opening and remain in good standing at all times during the term of your Franchise Agreement.

13. ***Professional Fees***. We strongly advise you to consult with your own financial and legal advisors, and we anticipate that you will incur professional fees related to your evaluation of this Disclosure Document and review of your lease documents. If you choose to form an entity for your business, you may incur additional legal fees and expenses that we cannot estimate here.

14. ***Additional Funds***. This item estimates your initial startup expenses (other than the items identified separately in the table) for the initial period of operations of your Store, which we anticipate will be three months. These expenses include payroll costs (but excluding owner draw or salary), Royalty Fees and Brand and Technology Fees, but we have not included any revenue that your Store might generate. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.

15. We relied on our affiliate's experience since 2006 as well as those of our franchisees in developing and operating Beef Jerky Stores to compile these estimates. You should review these figures carefully with a business advisor before deciding to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing the franchise purchase and business start-up depend on many factors, including the availability of financing generally, your creditworthiness, collateral and lending policies of financial institutions from which you request a loan.

* * * * *

YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT OPERATOR (2 STORES)

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Development Fee [(1)]	2 Stores: $52,400	Lump Sum	On signing Multi-Unit Operator Agreement	Us
Balance of Reduced Initial Franchise Fee for Second Store	$2,500	Lump Sum	On signing the Franchise Agreement	Us
Other Expenditures for First and Second Store [(2)]	$~~146,850~~141,550 - $357,~~500~~000	See First Table	See First Table	See First Table
Total	**~~$201,750 - $412,400~~$199, 250 - $411,900**			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

Notes:

1. ***Development Fee***. This fee is discussed in Item 5. Our estimate is for two (2) Stores. The Development Fee for two (2) Stores reflects payment of the full initial franchise fee of $49,900 for the first Store plus 50% ($2,500) of the reduced initial franchise fee of $5,000 for the second Store.

2. ***Other Expenditures for First and Second Stores***. These are the estimates to build-out your first and second Stores. Costs associated with building out additional Stores are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs. This range is the same as for a single unit operator as reflected in Item 7 less the initial franchise fee you would pay.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Store according to our System Standards. System Standards may regulate, among other things, the types, models, and brands of equipment, display and décor items,

POS system, proprietary and specialty items, inventory items, supplies, marketing materials and other items to be used in your Store (collectively, "Operating Assets"); required and authorized product and service categories; and designated and approved suppliers of these items and services, which could be limited to us, our affiliates, and other restricted sources, in which case you must acquire certain items for your Store only from these restricted sources. Except as described below, there are no goods, supplies, fixtures, equipment, inventory, or real estate for the Store that you currently must buy or lease from us (or an affiliate) or designated suppliers. As identified by Item 6, shipping costs may be significant depending upon the distance from the supplier to your franchise site.

We do not receive any revenue, rebates or other material consideration based on required purchases or leases. Currently, with respect to Beef Jerky Experience franchises, you must purchase a portion of your special food items from our affiliate, PLE, that reserves the right to earn a profit from the sale of these items to you. During its fiscal year ended October 31, 20242025, based on the books and records of our affiliate with respect to sales, PLE had total revenues of $5,331,535.814,991,469.67 of which $5,304,273.294,937,605.32 or 99.4998.92% was from the sale of specialty food items to our franchisees. In addition, we accepted payments and allowances of $194,512 from required purchases by our franchisees from vendors in fiscal 2025, which amount was 7.59% of our total revenue of $2,445,714 ("Vendor Allowances"). We use these Vendor Allowances for the benefit of all franchisees in the franchise system for product development, product Support and provision of product samples. Other than the disclosure made herein we do not derive revenue, rebates or other material considerations based on required purchases or leases of products or services.

The following officers listed in Item 2 have an ownership interest in PLE: Paul Lyons. None of our officers has an ownership interest in any other approved supplier.

To maintain the quality of the goods and services that Beef Jerky Experience Stores sell and to maintain our System's reputation, we may condition your right to buy or lease Operating Assets and other items on their meeting our minimum standards and specifications and/or their being acquired from suppliers that we approve. We will formulate and modify standards and specifications based on our, our affiliates' and our franchisees' experience in the industry and in operating Beef Jerky Experience Stores. Our standards and specifications may impose minimum requirements for delivery of services, customer experience, sample experience, performance, reputation, prices, quality, design, and appearance. Our confidential operations manual ("Manual" or "Operations Manual") or other communications (including e-mail) will identify our standards, product safety polices, and specifications and/or names of approved suppliers. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, wouldcould be reviewed as an approved supplier but must first seek our approval.

If we institute any type of restrictive sourcing program (which, we have the right to do) and you want to use any product that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved, you first must send us sufficient information, specifications, and samples so we can determine whether the product complies with System Standards or the supplier meets approved supplier criteria. If a third-party cost is to be incurred for product testing and

evaluation, you must bear such costs. New franchisees may be asked to wait one (1) year prior to adding local product to their location, as this allows new franchisees to focus on national products and determine what product categories sell well in their area prior to adding additional products. We will, within a reasonable time (typically 30 days or less), notify you of our decision in writing. We periodically will establish procedures for your requests and may limit the number of approved products and/or suppliers as we think best. Our approval might depend on product quality, brand standards, delivery frequency, service standards, financial capability, customer relations, and concentration of purchases with limited suppliers to obtain better prices and service. We may require information from a potential supplier prior to approval, such as USDA Est. Number, FDA ~~Registration~~EST. Number, or additional details pertaining to their operations, licenses, and permits. Any and all jerky and/or meat products must be produced and packaged in a USDA facility and packaging must include their USDA Est. Number mark. Non-jerky and non-meat items, such as but not limited to peanut/nut butters, jarred goods, snacks, popcorn, peanuts must be produced under FDA certification, with the FDA Est. Number on file for the supplier. Approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities before, during, and/or after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the local supplier and you in writing. We are not required to provide you or the proposed supplier with our evaluation criteria. We are not required to authorize a product or supplier if we do not believe it is in the best interests of the System or brand to do so. All authorized products and suppliers are subject to periodic review. We reserve the exclusive right to add or remove products and suppliers at any time we deem appropriate. ~~Any and all jerky or meat products must be produced and packaged in a USDA facility.~~

You are required to either have a Windows or IOS laptop or desktop computer for your general business use, but we do not require your purchase of any specific brand of computer or hardware. (Tablets are not suitable for back-office use.). You must purchase a system that includes Microsoft Office ~~365or~~365 or purchase it if the machine you intend to use does not have it already. However, as further described in Item 11, you must purchase a computerized point-of-sale ("POS") System pursuant to our specifications from our designated vendor. The POS system will provide for sales tracking, inventory management, financial reporting, and credit card processing.

The cost of all items that you must purchase from us, our affiliates or from suppliers designated by us represents approximately 90% to 100% of your total purchases in connection with the establishment of your Store. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents approximately 90% of your total purchases in the continuing operation of your Store.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). During our fiscal year ended October 31, 20252~~0~~024, we did not receive any Allowances to the Marketing Fund.

There currently are no purchasing or distribution cooperatives in which you must participate, but we reserve the right to establish them in the future. We also intend to negotiate purchase arrangements with suppliers (including price terms and/or volume discounts) for franchisees. We do not provide material benefits to a franchisee, such as the grant of a renewal franchise, for using designated or approved suppliers.

You must select a site that you propose to use for your Store, and you must submit to us all information we require to evaluate the site you propose. You may not obtain the site (by LOI, lease, sublease or purchase agreement) until the site has been approved by us. We reserve the right to review any lease, sublease or purchase agreement for the approved site before you sign it. You must submit and obtain our approval of your site within 365 days from signing the Franchise Agreement. If not, at our discretion, we may choose to grant you an extension or terminate the Franchise Agreement without refund of your initial franchise fee. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached to the Franchise Agreement as Exhibit H.

We will provide you with a floor plan layout for your Store. You must arrange for blueprints and/or construction plans to be prepared for the build-out of your Store if required by your landlord. We reserve the right to designate the architect or design firm that you must use. We will provide you with our requirements for the layout of your Store. Any blueprints or construction plans must be submitted to us for our approval before you may begin construction. Our review is only meant to verify compliance with our standards and presentation of the Proprietary Marks. You must make sure that the plans are in compliance with all applicable laws, ordinances and building codes.

Any advertising materials that you have had prepared for you, or that we have not approved within the most recent 12-month period, and that you wish to use to promote your Store must be submitted to us for our approval before the materials may be used. You may not use any advertising materials that we have not approved.

Insurance; Accounting Services

You must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Store. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us and our affiliates as additional insured's, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Operations Manual. Each policy must provide us with 30 days' advance notice of any change to or cancellation of the policy. You are required to use one of our designated and approved vendors for your insurance requirements.

Presently, you must maintain the following minimum insurance amounts: (1) "all risk" property insurance coverage for assets of the Store; (2) workers' compensation insurance and employer liability coverage with a minimum limit of $1,000,000 or higher if your state law requires; (3) comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate, or higher if your state law requires; (4) business interruption insurance; (5) automobile liability insurance of at least $1,000,000 or higher if your state law requires for any vehicles used in the operation of your Store; (6) insurance coverage for contractual indemnity; (7) any insurance required by the terms of your lease agreement or mortgage for the Store; and (8) any other insurance we may require you to have.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

Your insurance policies must be issued by an insurance company licensed to do business in the state where your Store is located, and which has an A.M. Best rating of A or higher. Not later than two weeks before your Store opens, you must provide us with a certificate of insurance showing that you have obtained all required insurance coverage, and you must provide us with updated certificates of insurance when policies are renewed.

To ensure accurate and proper reporting to us of operational and financial information, you must use our approved or designated supplier or provider of accounting and bookkeeping services. If we permit, in our sole discretion, a different accounting or bookkeeping service you must report all financial information to us in a format, method or program that we have approved or designated. You shall have your federal and state tax returns prepared by an accountant of your choice without our approval.

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	Article in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement: 2 Multi-Unit Operator Agreement: 3	6, 7, 11
b. Pre-opening purchases/ leases	Franchise Agreement: 2	7, 8, 11
c. Site development and other pre-opening requirements	Franchise Agreement: 2	7, 8, 11

Obligation	Article in Agreement	Disclosure Document Item
d. Initial and ongoing training	Franchise Agreement: 4	7, 11
e. Opening	Franchise Agreement: 2	11
f. Fees	Franchise Agreement: 3, 4, 9, 11, 12, and 16 Multi-Unit Operator Agreement: 2 and 3	5, 6, 7, 11
g. Compliance with standards and policies/Operating Manual	Franchise Agreement: 4 and 8	8, 11, 16
h. Trademarks and proprietary information	Franchise Agreement: 5 and 6 Multi-Unit Operator Agreement: 7	13, 14
i. Restrictions on products/ services offered	Franchise Agreement: 1 and 8	8, 16
j. Warranty and customer service requirements	Franchise Agreement: 8.4	16
k. Territorial development and sales quotas	Multi-Unit Operator Agreement: 3	12
l. Ongoing product/service purchases	Franchise Agreement: 2 and 8	8, 16
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: 8	11
n. Insurance	Franchise Agreement: 8	7
o. Advertising and Brand Development	Franchise Agreement: 9	6, 7, 11
p. Indemnification	Franchise Agreement: 5 and 16 Multi-Unit Operator Agreement: 14	6
q. Owner's participation/ management/staffing	Franchise Agreement: 1 Multi-Unit Operator Agreement: 7	15
r. Records/reports	Franchise Agreement: 10	6
s. Inspection/audits	Franchise Agreement: 11 Multi-Unit Operator Agreement: 12	6, 11
t. Transfer	Franchise Agreement: 12 Multi-Unit Operator Agreement: 11	6, 17

Obligation	Article in Agreement	Disclosure Document Item
u. Renewal	Franchise Agreement: 13 Multi-Unit Operator Agreement: 5	6, 17
v. Post-termination obligations	Franchise Agreement: 15 Multi-Unit Operator Agreement: 10	17
w. Non-competition covenants	Franchise Agreement: 7, 12 and 15 Multi-Unit Operator Agreement: 12	17
x. Dispute resolution	Franchise Agreement: 17 Multi-Unit Operator Agreement: 19	17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you open the Store, we will:

Reservation Agreement:

If you choose to sign our Reservation Agreement (Exhibit L), to assist your determination as to the viability of ~~the Beef Jerky Experience~~a franchise concept in a Reserved Territory, we will visit, review and approve or deny the designated territory you have chosen. Our fees and costs for this service are stated in Item 5 and Section 3.1 of the Reservation Agreement.

Franchise Agreement:

1. You must provide us with the information we need to evaluate the site, sign a lease, or currently own a property and open the store within 365 days after you sign the Franchise Agreement. Our criteria for evaluating sites include demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. (Franchise Agreement – Section 2.1) If you have not located a site that meets our approval, sign a lease, or currently own a property and open the store within 365 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement, or, in our sole discretion we may grant you an extension for a time period we determine. At our sole discretion, we may conduct on-site

evaluations as to the suitability for a franchised Store location. If we do so, you must pay our actual costs for travel, meals and lodging plus a fee of $1,200 for staff provided.

2. Identify the Operating Assets, products, materials, supplies, and services you must purchase or lease and use to develop and operate the Store, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates). (Franchise Agreement – Sections 2.2 and 8.)

3. You will be able to view the Operations Manual, via a password-protected Website. (Franchise Agreement – Section 4.3.) The Operations Manual contains mandatory specifications, standards, operating procedures, and rules ("System Standards") that we periodically require. We may modify the Operations Manual periodically to reflect changes in System Standards and you must comply with any changes we make.

4. Train you or your Highly Trusted Individual at no additional charge. (Franchise Agreement – Section 4.1.) We describe this training later in this Item.

Multi-Unit Operator Agreement: Under the Multi-Unit Operator Agreement we will provide you with the following assistance:

1. We do not grant exclusive territories; however, we will grant to you the right to establish and operate two (2) ~~Beef Jerky Experience~~ Stores under separate Franchise Agreements. These Stores may or may not be in a designated area (Multi-Unit Operator Agreement – Section 1.1).

2. We will review site survey information on sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Store (Multi-Unit Operator Agreement – Section 8.1).

3. We will provide you with a floor layout plan and standard specifications for building and furnishing the Store (Multi-Unit Operator Agreement – Section 8.2).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Operator Agreement – Section 8.3).

5. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Operators (Multi-Unit Operator Agreement – Section 8.4).

Continuing Obligations

Franchise Agreement: During your operation of the Store, we will:

1. Advise you regarding the Store's operation based on your reports and/or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that ~~Beef Jerky Experience~~ Stores use; purchasing required Operating Assets and

inventory; advertising and marketing programs; and employee training, administrative, bookkeeping, and accounting procedures. We will guide you in our Operations Manual, bulletins, or other written materials, e-mails, during telephone consultations, and/or during consultations at our office or at your Store. (Franchise Agreement – Section 4.2.)

2. Give you, at your request, additional or special guidance, assistance, and training, some of which may be included as part of our continuing obligations and some of which may be available to you for our then-current per diem fee, plus expenses. (Franchise Agreement – Section 4.2.)

3. Inspect and observe the operation of the Store to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.1.)

4. Let you use our confidential information. (Franchise Agreement – Section 6.)

5. Let you use the Proprietary Marks. (Franchise Agreement – Section 5.)

6. Determine the minimum prices you may charge, as permitted by applicable law. (Franchise Agreement – Section 8.7.) If you sell products via the internet, your prices on the internet may not be lower than you charge in your Store.

7. Maintain the Brand and Technology Fund. (Franchise Agreement – Section 9.3.)

Advertising and Marketing

Business Kickstart Assets and ~~Website~~ Technology Fee

When you execute your Franchise Agreement depending on the type of franchise you have purchased, we will require payment of ~~$5,000~~1,200 to $4,500 for costs incurred ~~during the first twelve (12) months of store operation with respect to provision of~~for our website Technology Fee and bookkeeping accounting services with our vendor, Unifi ~~($3,900) and a Website Technology Fee ($1,100) that is paid to our technology vendor.~~. We will make the ~~payments~~payment to Unifi ~~during~~for the ~~twelve (12~~initial six (6) month period~~.~~ of your franchise term. After the initial ~~twelve (12~~six (6) months you will be directly billed by ~~Unify~~Unifi for their bookkeeping services.

Brand and Technology Fund

We have established a Brand and Technology Fund ("Fund") to promote the System, Beef Jerky Stores and the products and services offered by Stores (Franchise Agreement – Section 9.3.) You must pay a non-refundable Brand and Technology Fee to the Fund in an amount equal to 2% of Gross Sales. Upon not less than 30 days' prior written notice to you, we may increase the fee~~,~~ up to a maximum of 4% of Gross Sales. The Fund will be used for national and regional advertising, marketing, publicity and promotional activity relating to our business. We will determine, in our fully unrestricted discretion, the manner in which the Fund will be spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We may also use a portion of the Fund to support our website, including

webpages for our franchisees, and social media initiatives, as well as fund administrative costs in general.

We have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities. The Fund is intended to maximize general public recognition in all media of the Proprietary Marks and patronage of all Beef Jerky Stores and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand and Technology Fee by franchisees operating in that geographic area, or that any Store will benefit directly or in proportion to the fees paid for the development of advertising and marketing materials or the placement of advertising. No amount of the Fund will be spent for advertising, that is principally a solicitation for the sale of franchises.

We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand and Technology Fee (including attorneys' auditors' and accountants' fees and other expenses incurred in connection with collecting any such fees).

Stores owned by us, or our affiliates, will also contribute to the Fund. The Fund will be kept in a non-interest-bearing account separate from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the paragraph above with respect to Fund administration. Any sums paid to the Fund that are not spent in the year they are collected will carry over to the following year.

We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund's expense. We will submit to you, upon request, an annual report of the receipts and disbursements of the Fund, which may be unaudited and prepared by our management.

Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors on a pro-rate basis. If we terminate the Fund, we have the right to reinstate it at any time, and you must again contribute to the Fund. Any reinstated Fund will be maintained as described above.

During the fiscal year ended October 31, ~~2024~~2025, the Fund spent $~~838,005~~652,536. From this amount, the Fund ~~paid $314,258 (37.5%) to various third-party marketing entities, all of which funds (100%) were~~ spent$161,212 (24.71%) for production of advertising. The Fund also paid $~~199,378~~151,414 (23.~~79%)~~ 23.20%) for technology support expenses. We did incur in-house administration expenses of $~~324,369 (38.71~~339,910 (52.09%) in fiscal ~~2024~~2025 which were inclusive of the $~~838,005~~ 652,536 paid by the Fund. All money remaining in the Fund at the end of any fiscal year will be carried forward to the next fiscal year.

Local Marketing

We do not require you to spend any designated amount for local advertising. If you choose to do so, you may not personally or directly solicit customers outside of your Designated Territory.

Your advertising promotion and marketing must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. All of your advertising must also comply with any applicable laws or regulations. Before you use them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written approval within 15 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved or that have not been approved by us within the previous 12 months. All proposed advertising materials submitted to us for review will become our property and there will be no limitation on our use or distribution of these materials. At our request you must include certain language in your local advertising materials, including "Franchises Available," our website address and telephone number. This language shall be included on a dedicated sign that you must purchase from our designated vendor.

Cooperative Advertising

We do not now but may in the future approve the formation of regional advertising cooperatives.

Owner Advocacy Team

We have established an Owner Advocacy Team (OAT) comprised of franchisees and our representatives to work with us to improve various aspects of the System, including advertising conducted by the Fund, new products or services to be offered, and similar issues. Franchisee participants will be chosen by us or may be elected by other franchisees in the System. If you participate on the OAT, you may be required to pay some or all expenses you incur related to your participation, such as travel and living expenses to attend council meetings. The OAT will act in an advisory capacity only and will not have decision making authority. We have the right to establish, change, merge or dissolve any advisory council at any time.

Website / Intranet

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs"). We alone will control, own and designate the naming convention for your URL. We will determine, create and establish a separate URL for a website to be used for your Store (s). We reserve the right to specify the content, frequency and procedure you must follow conducting your website. You may not make additions or changes to your website without prior written approval from us, nor use any of our names and Marks on the website without our prior written consent. If you sell products via the

internet, your prices on the internet may not be lower than you charge in your Store. Any local promotions you run online must be approved by us.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products and services available at ~~Beef Jerky~~ Stores – also be devoted in part to offering ~~Beef Jerky Experience~~ franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we operate an intranet system through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done. Except as provided above with respect to the URL we provide to you, you may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Beef Jerky Outlet" or "Beef Jerky Experience~~"~~", names or any name confusingly similar to the Marks without our prior written consent. If you participate in internet sales, you may only do so through the website that we provide. You are strictly prohibited from selling any products using any other internet presence, such as Amazon.com or eBay.

You are not permitted to promote your Store or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, TikTok, or LinkedIn without our prior written consent. We will direct and monitor all marketing and advertising on any form of social media (which includes but is not limited to blogs, common social networks such as Facebook, Instagram, LinkedIn, Twitter, virtual worlds, file, audio and video sharing sites, etc.). You must comply with our System Standards regarding the use of social media in your Store's operation.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your website.

Computer/POS System

You are required to either have a Windows or IOS laptop, or desk top computer with a color printer for your general business use, but we do not require your purchase of any specific brand of computer, hardware, or system. You must purchase a system that includes Microsoft Outlook 365 or later or purchase it if the machine you intend to use does not have it already.

You must use the point-of-sale ("POS") system we designate that meets our specifications~~.~~ for all models including Pop-Up and Flex/Seasonal locations. The POS system will provide for recording of various data including sales tracking, inventory management, financial reporting, credit card processing, employee time, customer emails, wholesale cost and back-office reports.

The POS system is designed to enable us to have immediate access to the information monitored by the system, including data generated regarding gross sales and inventory information, and there is no contractual limitation on our access to or use of the information we obtain. You must install and maintain equipment and a high-speed internet connection (such as cable or fiber) in accordance with our specifications. You must make sure that we have access at the times and in the manner, we specify, at your cost. You will be responsible for upgrading the POS system ~~and all computer systems~~ at ~~your~~a cost ~~as we reasonably require.~~that will range from $1200 to $1630. Otherwise, there is not an annual upgrading requirement~~.~~ for your computer system but we may reasonably require computer upgrading over time as technology develops.

You must purchase a computerized POS System from our designated vendor. The cost as of the date of this disclosure document will be approximately $3,000 ~~and will include~~including a ~~terminal~~back-office computer, CC terminal, receipt printer, scanner, ~~and~~ cash drawer, iPad, and iPad stand. You will be responsible for paying a monthly support and maintenance fee of up to $350 to our current POS supplier as well. There are no other costs to purchase or lease the POS system.

The POS computer system must be set up in accordance with the Payment Card Industry Data Security Standards (PCI DSS) and must be EMV and PCI compliant at all times. Upon installation of this system, we may require you to use an independent Approved Scanning Vendor (ASV) to certify that the installations are PCI compliant. We also have the right to require you to conduct certifications on an annual basis and to provide us with a copy of verification that your system is PCI compliant.

We may also require you to offer online ordering for all items in your Franchise. The online ordering credit card payment system and payment gateway must be set up in accordance with the PCI DSS system and comply with all updates and required maintenance prescribed under PCI DSS standards, including purchase of necessary hardware and software. You will be required to report to us any known vulnerability or breach of your POS system and provide proof of compliance upon our request.

You must obtain and maintain ~~CAT 5/6 hardwired cable Internet access or other means of electronic communication, as specified by us.~~a strong and reliable Wi-Fi connection. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have independent access at all times and in the manner that we specify to the information generated and stored in the system.

The specifications for the hardware and software of the POS system are contained in our Operations Manual.

Site Selection

You must select the site for your Store, and you must obtain our written approval of any proposed site in accordance with our procedures. Our written approval will not be unreasonably withheld if the site meets our minimum qualifications. If you request us to visit your Designated Territory, whether you have signed a Reservation Agreement or Franchise Agreement, we will visit your proposed site at our discretion. In such event, you must pay our actual costs of travel and lodging for each visit. You will have 365 days after you sign the Franchise Agreement to submit to us, obtain our approval of a site for your Store using the site selection criteria we provide, or currently own a property and open the store. Your five (5) year franchise term will start concurrent with the date of opening of your Store for business, not the date you sign the Franchise Agreement. We will have 30 days after we have received from you all of the information, we require concerning the site to notify you whether or not the site you proposed is approved by us. In evaluating a site, we may consider the factors we deem material, including demographic characteristics, traffic patterns, parking, the predominant character of the area, competition within the area, rental obligations, and the site's size, appearance and other physical characteristics. Unless we provide our specific approval of a site, the site is deemed not approved. Our approval of your site is not a warranty or guarantee that you will be successful at that site. Our approval only indicates that the site meets our then-current minimum criteria for a ~~Beef Jerky Experience~~ Store. If you have not located a site that has met our approval within 365 days after the Franchise Agreement is signed, we may in our sole discretion determine to grant you an extended period of time to find a site or terminate the Franchise Agreement.

Once we approve a proposed site, you must sign a lease for the site. The terms of your lease must not conflict with the terms of your Franchise Agreement. You must submit the lease to us for our approval before you sign it. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached as Exhibit H to the Franchise Agreement.

Current Franchisees can request a one-time sixty (60) day right of exclusive review of the Designated Area that they provide the Franchisor. If the Franchise Owner does not elect to enter into a Reservation Agreement, Franchise Agreement or Multi Unit Owner Agreement (as applicable) within sixty (60) days from the date of acceptance, all rights to the exclusive review of such Designated Area Shall automatically terminate.

Upon opening your first single franchise location, with our prior written approval, you may operate an unlimited number of "Pop-Up" Beef Jerky Experience locations within your Designated Territory. Our approval will be based on the same factors disclosed above with respect to operation of your franchise Store on a full year-round basis. A "Pop-Up Location" is defined as a temporary site to be operated a maximum of one hundred (100) consecutive days per year Generally leased within malls, neighborhood strip centers, and retail centers/boardwalks catering to individuals/families on vacation by landlords with vacant sites. For each "Pop-Up" Location, you will be required to execute an amendment to your Franchise Agreement in the form set forth at Exhibit 7 thereto.

Opening

We estimate that it will be twelve (12) months or less after you sign the Franchise Agreement before you open the Store, but this depends on the site's location and condition, how much you must upgrade or remodel the approved location, how long it takes to complete training, and your compliance with local laws and regulations. You may not open the Store until: (1) pre-opening training is completed to our satisfaction by all required persons; (2) you pay the initial franchise fee and all other amounts then due to us; (3) the Store has been built-out, equipped and stocked with inventory according to our specifications; (4) you give us certificates for all required insurance policies; and (5) you have obtained all required permits and licenses for your Store. You must open the Store within one (1) year from the date of signing the Franchise Agreement. If you are unable to open your Store within one (1) year, except for circumstances not in your control, we may terminate the Franchise Agreement, or we may grant you an extension of time to open the Store.

If you are a Multi-Unit Operator, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Operator Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your Store is the same as for an individual franchisee.

Training

Before your first Store opens, we will train you and your Highly Trusted Individual in operating the Store at your site. If you wish for additional people to attend the initial training program, you may do so with our prior consent and at no cost. Approximately three (3) days of training, will be held at your store or another location if necessary. We do not provide training for additional Stores but will provide access to on-line tutorials for your use.

You and your Highly Trusted Individual must satisfactorily complete initial training, which is mandatory, and participate in all other activities required to operate the Store. Our training program must be completed to our satisfaction by you and your Highly Trusted Individual not later than 30 days before your Store opens. The cost for providing the initial training program to you and your Highly Trusted Individual is included in the initial franchise fee, but you must pay all travel, lodging, and meals for two (2) BJOF Home Office individuals. We may require you to replace the Highly Trusted Individual if we determine that he or she is not qualified to hold that position. You must pay us for training a replacement. (Franchise Agreement – Section 4.1)

Training will occur after you sign the Franchise Agreement and while you are developing the Store. We plan to be flexible in scheduling training to accommodate our personnel, you, and other trainees. There currently are no fixed (such as monthly or bi-monthly) training schedules, but there may be in the future. We will conduct training on an as needed basis, based on the number of new franchisees entering the System, new Highly Trusted Individuals needing training and other similar factors. We may train more than one franchisee or its Highly Trusted Individual at the same training session.

You will have direct communication with your Field Support Team ("FST") and Communications Coordinator within thirty (30) days prior to your store opening. Your FST will be your main source of information on all topics. In addition, your FST will conduct an onsite visit to your Store within sixty (60) days of opening. If you request additional days of assistance, you must reimburse us for our expenses while providing the additional assistance, including lodging and meals. If you are opening your second or later Store, we reserve the right to reduce the amount of opening assistance provided or to provide no training.

The materials we use in our initial training program include our confidential Operations Manual and any other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

TRAINING PROGRAM

Pre-Store Opening:

Subject	Hours of On-Line Classroom Training	Hours of On-the-Job Training	Location
Recruiting/ Management Training	2-4	4-6	Affiliate or Franchisee Store, and/or on-line
Operations Manual	2-4	2-4	Affiliate or Franchisee Store, and/or on-line
Store Opening Guide	2-4	2-4	Affiliate or Franchisee Store, and/or on-line
Marketing	2-4	2-4	Affiliate or Franchisee Store, and/or on-line
POS/Computer Reporting	2-4	8-10	Affiliate or Franchisee Store, and/or on-line
Ordering Supplies	2-4	2-4	Affiliate or Franchisee Store, and/or on-line
Merchandising	2-4	2-4	Affiliate or Franchisee Store, and/or on-line
Inventory Management	2-4	2-4	Affiliate or Franchisee Store, and/or on-line

During Store Opening:

Subject	Hours of On-Line Classroom Training	Hours of On-the-Job Training	Location
Experience	2-6	3-8	Franchisee Store, and/or on-line
Sales Training	2-4	2-6	Franchisee Store, and/or on-line
Staff Training	2-4	2-6	Franchisee Store, and/or on-line
Store Merchandising	2-4	8-10	Franchisee Store
Store Opening	6-8	6-8	Franchisee Store
Trainer Visit	0	16	Franchisee Store

Our classroom and on-the-job training are integrated. Our training program may be conducted by Scott Parker, Scott Christ, Jenn Szlachta, Rob Lemons, Kassandra Segars and others. The experience of our corporate trainers in this industry ranges from 10 to ~~35~~36 years. We reserve the right to draw upon the substantial experience of our Affiliate's and Franchisees employees to assist in providing training on certain subjects. We reserve the right to modify our training program as needed based on the individual skills, experience and/or needs of any individual trainee.

Conferences and Meetings

We may periodically offer refresher training programs, and we may designate that refresher training is mandatory for you and/or your Highly Trusted Individual. If we choose to hold these training programs, we do not anticipate charging a fee, but you must pay any expenses you and your attendees incur, including travel, lodging, meals and applicable wages.

We reserve the right to hold ~~an~~a periodic franchisee meeting on a regional and/or national basis. Attendance at the meeting is mandatory unless your absence is excused by us. We will designate the location and length of the franchisee meeting, but we will not select an unreasonably expensive location. To help defray our expenses we will charge a fee up to $499 per person for each periodic meeting. You must pay all expenses you and your attendees incur, including travel, lodging, meals and applicable wages.

Operations Manual

The Table of Contents of our Operations Manual is attached to this Disclosure Document as Exhibit G. A confidential operations manual will be provided in digital copy form and is approximately 245 pages.

ITEM 12
TERRITORY

Franchise Agreement

You will operate the franchise at a specific location that we first must approve, as described in Item 11. Once your location has been approved, we will determine your Designated Territory. You may not directly advertise for or solicit customers outside your Designated Territory in any manner, including but not limited to the internet, any form of social media, catalogues, telemarketing or any other form of direct marketing or other channels of distribution. You may, however, accept sales from customers who are not in your Designated Territory that you did not solicit. Your Designated Territory will be described in Exhibit 2 to the Franchise Agreement and will be the area within a radius of two (2) miles around your Store, provided that: (i) if your Store is located in a highly populated urban area, we may at our discretion determine a Designated Territory that is less than two (2) miles, and (ii) if your Store is located in a shopping mall or outlet mall, your Designated Territory will be the real property of the mall or outlet as determined by the local governing authorities or the mall/outlet owner as referenced by geographic maps/drawings or tax parcel identifications as applicable. —Except as limited below, and if you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another Beef Jerky Store at a location within the Designated Territory during the term of your Franchise Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control. If any non-traditional site (such as an airport, hospital, school, office building, stadium, arena, ballpark, military base and other mass gathering locations or events including those where an admission fee may be charged) is located within the physical boundaries of your Designated Territory, then the premises of this non-traditional site will not be included in your Designated Territory. You will however have a right of first refusal to this non-traditional site. If your Store is located at a non-traditional site, the physical address of such non-traditional site will be the Designated 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.

If a non-traditional site becomes available or is being sought by another franchisee or candidate that is in or near your Designated Territory, we will offer you the opportunity to open a Store at the non-traditional site. You must be in compliance with your Franchise Agreement and current in all payments owed to us and/or our affiliates. –You will have 10 days after receiving information from us concerning the new Store opportunity to accept the right of first refusal. If you decline this right of first refusal or do not respond to us within the 10-day period, we may offer the opportunity to develop a Store at the non-traditional site to a third party or we or one of our affiliates may open a Store at the non-traditional site.

You may not relocate the Store from the approved site without our approval. If we approve your request to relocate your Store, the new site must be within your Designated Territory. We will use our then-current criteria to review a proposed relocated site for your Store. We reserve the right to require you to sign our then-current Franchise Agreement. While you will not have to

pay another initial franchise fee, you must reimburse our expenses related to your relocation request.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Store in your Designated Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below. There are no circumstances under which the Designated Territory may be altered before your Franchise Agreement expires or is terminated. Your territorial protection does not depend on your achieving a certain minimum sales volume, market penetration, or other factor, other than compliance with the Franchise Agreement. Except as described above related to a non-traditional site, we do not grant you any options, rights of first refusal or similar rights to acquire additional franchises under your Franchise Agreement.

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Beef Jerky Stores, the Marks, and any products and services anywhere in the world including the right: (a) to offer and sell and to grant others the right to offer and sell the products and services offered at Stores, both within and outside the Designated Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Stores located outside the Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your Store; and (c) to acquire and operate a business operating one or more similar stores located or operating in your Designated Territory, but if one of these stores is located within your Designated Territory, it will not operate using the Proprietary Marks.

If we or our affiliates receive orders through an alternate channel of distribution, such as their website(s), you will not receive any portion of the revenue generated from these orders, even if the order is generated from or mailed to an address within your Designated Territory. If you choose to use the website that we provide to you to sell products, the prices on the website must match the prices you charge in your Store and you may not make any changes to your website without our prior approval. You must make sure that any orders placed through your website are fulfilled. We will not take any portion of the revenues from orders made through your website, but you must pay us any applicable royalties and other fees related to the sale. If we request it, you must combine advertising with other franchises that are located in the market targeted by the advertising. You are permitted to sell products at wholesale only within your Designated Territory.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Stores which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Multi-Unit Operator Agreement

Under the Multi-Unit Operator Agreement, we grant you the right to develop and operate two (2) Stores specified in the Minimum Performance Schedule, which is an exhibit to the Multi-Unit Operator Agreement. Each Store will receive a maximum of a two (2) mile Designated Area ("Designated Area") that is typically described in terms of municipal or county boundaries but may be defined by zip codes or as a specified trade area in a municipality. The actual size of the Designated Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, populations and market conditions. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria, so you can meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Operator Agreement, we and our affiliates will not operate or grant a franchise for the operation of Beef Jerky Stores to be located within your Designated Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Operator Agreement and all of the Franchise Agreements signed under it. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

Except as expressly limited by the Multi-Unit Operator Agreement, we and our affiliates retain all rights with respect to Beef Jerky Stores, the Marks, and any products and services anywhere in the world including the right: (a) to offer and sell and to grant others the right to offer and sell the products and services offered at Stores, both within and outside the Designated Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Stores located outside the Designated Area under any terms and conditions we deem appropriate and regardless of proximity to your Stores; and (c) to acquire and operate a business operating one or more similar stores located or operating in your Exclusive Area, but if one of these stores is located within your Designated Area, it will not operate using the Proprietary Marks. Thus, as with individual Franchise Agreements, your territory is not exclusive from competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

To maintain your rights under the Multi-Unit Operator Agreement you must have open and in operation the cumulative number of Stores stated on the Minimum Performance Schedule by the dates mutually agreed upon that will be designated in the Multi-Unit Operator Agreement. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Operator Agreement.

There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your two (2) mile Exclusive Area, except that you must meet your Minimum Performance Schedule required by the Franchise Agreement.

We do not grant you any options, rights of first refusal or similar rights to acquire additional franchises under your Multi-Unit Operator Agreement.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. The Multi-Unit Operator Agreement does not grant you the right to use the Proprietary Marks. We own the Proprietary Marks which have been registered or applied for registration with the United States Patent and Trademark Office ("USPTO") as follows:

Mark	Application Date	Serial Number	Registration Date	Registration Number
The Beef Jerky Outlet (standard character mark)	8/1/2000	76101362	10/25/2005	3,009,689 (Supplemental Register)
Beef Jerky Outlet (logo)	04/02/2018	87860298	11/27/2018	5,615,999 (Principal Register)
"Beef Jerky Experience"	2/9/2017	87329519	10/17/2017	5,309,722 (Principal Register)
Beef Jerky Outlet (standard character mark)	11/05/2019	88680604	6/9/2020	6,074,224 (Principal Register)
See It. Taste It. Share It.	12/9/2019	88720011	9/6/2020	6,080,190 (Principal Register)
Beef Jerky Experience (logo)	2/13/2020	88795947	11/3/2020	6,188,570 (Principal Register)
Beef Jerky Outlet (Horn Logo)	05/04/2021	88566792	07/20/2021	6,422,755 (Principal Register)
Beef Jerky Express	11/5/2021	97/110,829	02/27/2024	7,317,796 (~~Principal~~Supplemental Register)

Mark	Application Date	Serial Number	Registration Date	Registration Number
Beef Jerky Experience (standard character)	2/10/2025	99/034.622	10/14/2025	7,983,916 (Principal Register)

-We intend to file all affidavits and to renew our registrations for the Marks when they become due. We do not at this time intend to use Registration Number 3,009,689 on the Supplemental Register but may do so in the future.

You must follow our rules when you use the Marks. You may not use any Mark (1) in your corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs, or symbols (except for those we license to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address, or search engine you maintain on any website, except for the website we provide to you; or (5) in any other way we have not expressly authorized in writing.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Marks.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with your agreement with us, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with your agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. If there is any litigation relating to your use of the Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of your agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Marks in this state or elsewhere.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. We are not required to reimburse you for any costs you incur in relation to any change or substitution, such as the cost of changing stationery or signage, and have no obligation or liability to you as a result of any change or substitution.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not have an ownership interest in any patents or registered copyrights that are material to the franchise.

You must operate the Store in accordance with the standards and procedures specified in the Operations Manual. You will have access to the Operations Manual at all times via Jerky World, a cloud-based intranet portal system.

You must treat the Operations Manual and any other manuals we create or approve for use in your operation of the Store, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential, and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Operations Manual contains our trade secrets and remains our sole property and must be kept in a secure place on the Store premises.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must also make sure that the Operations Manual is kept current at all times. If there is a dispute regarding the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

We claim proprietary rights in certain of our methods of operation and procedures which are included in the Operations Manual and which are our trade secrets. You and each of your owners are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Store that may be communicated to you or any of your owners or that you may learn about, including these trade secrets. You and each of your owners may divulge this confidential information only to your employees who must have access to it to operate the Store. Neither you nor your owners are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Operations Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

If we ask, you must have your Highly Trusted Individual and any of your personnel who have received or will have access to confidential information sign confidentiality covenants similar to the ones described above. Your owners also must sign these covenants.

If you, your owners, manager or employees develop any new concept, process or improvement in the operation or promotion of the Store, you must promptly notify us and give us all necessary information, free of charge. You, your owners, Highly Trusted Individual and employees must acknowledge that any of these concepts, processes or improvements will become our property, and we may give the information to other franchisees and/or incorporate the new concept process or improvement as part of our System.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly, and diligently perform your contractual obligations. System Standards may regulate the staffing levels and employee qualifications, training, dress, and appearance of the Store. You need not participate full-time in the day-to-day operation of the Store, but you must devote substantial and continuing efforts to the operation of the Store. If you do not participate in the daily operations, you must hire a Designated Highly Trusted Individual to manage and oversee the store's daily operation. A "Highly Trusted Individual" is someone that is a close friend, family member or relative of one of the owners who can assist with managing the franchised location if the owner does not reside within 100 miles from the Store. If you have a Highly Trusted Individual to operate your Store, you must still make sure that the Store is operated in compliance with the terms of your Franchise Agreement, the Operations Manual and our System Standards. You and/or the Highly Trusted Individual must satisfactorily complete our initial training. If you replace the Highly Trusted Individual, the new Highly Trusted Individual must complete our initial training program, at your expense, within 60 days after being hired. You must keep us apprised of the Highly Trusted Individual identity at all times. The Highly Trusted Individual need not have an equity interest in the Store or you but must agree in writing to preserve confidential information to which he or she has access. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner.

If you choose to hire any individual in a managerial position who is at the time employed in a managerial position by us or any of our affiliates, or by another of our franchisees, you must pay the former employer for the reasonable costs and expenses the employer incurred for the training of the employee.

You must also obtain covenants not to compete, including covenants applicable on the termination of the person's relationship with you, from your Highly Trusted Individual and any holder of a beneficial interest in you (except for any limited partners). You must have all of your

management personnel sign covenants that they will maintain the confidentiality of information they receive or have access to base on their relationship with you. We reserve the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and perform all services that we approve as required for Beef Jerky Stores. Our System Standards may regulate required authorized products, services, product and service categories. We periodically may change required and/or authorized products, services, product and service categories. There are no limits on our right to do so.

In our discretion, we may periodically permit certain Stores to offer bulk and/or specialty food products based on regional tastes and/or the local market. If we permit a Store to offer additional or different products, we are not required to grant any other franchisee or store a similar variance from our System Standards. We require that jerky sales range from 80% to 85% of the gross sales in your store. Any and all jerky and/or meat products must be produced and packaged in a USDA facility and packaging must include their USDA Est. Number mark. Non-jerky and non-meat items, such as but not limited to peanut/nut butters, jarred goods, snacks, popcorn, peanuts, must be produced under FDA certification, with the FDA Est. Number on file for the supplier.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12. You must comply with our customer service requirements.

We reserve the right to determine the minimum and/or maximum prices for the products and services offered from your Store, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or services at the required price will enhance your sales or profits. If you sell products via the internet, your prices on the internet may not be lower than you charge in your Store.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1.2	Five years
b. Renewal or extension of the term	Section 13	If you satisfy the requirements listed in (c) below, you may renew for up to three additional terms of five years each.
c. Requirements for franchisee to renew or extend	Section 13	You must request a renewal within the last six months of the term of your Franchise Agreement. Upon receiving the request, we will send you an invoice for the renewal fee as well as any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release. If you do not wish to renew your agreement, you must provide us with notice of this election no later than 90 days before your agreement expires. If you do not pay the renewal fee and sign the documents we require, your agreement will not be renewed. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Not applicable	The Franchise Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law.
e. Termination by us without cause	Not applicable	We may not terminate you without cause.
f. Termination by us with cause	Section 14.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 14.2	You have three business days to cure monetary defaults, 30 days to cure operational defaults and other defaults not listed in (h) below. Curable defaults include unauthorized use of the Marks, failure to pay fees when owed, failure to comply with System Standards, and suspension of a required license or permit.
h. "Cause" defined – non-curable defaults	Section 14.1	Non-curable defaults include material misrepresentation, failure to open Store on time, failure to complete training, abandonment, unapproved transfers, conviction of a felony, failure to maintain insurance, interference with our right to inspect, dishonest or unethical conduct, unauthorized use or disclosure of the Operations Manual or confidential information, failure to pay taxes, repeated defaults (even if cured), bankruptcy, an assignment for the benefit of creditors, appointment of a trustee or receiver, violation of a non-compete restriction, uncured default under your lease, failure to pay amounts due, violation of any law, ordinance or regulation relating to terrorist activities or if assets, property or interests are "blocked" due to violations, failure to comply with any other provisions of the Agreement and failure not cured within required time.
i. Franchisee's obligations on termination/non-renewal	Section 15	Obligations include paying outstanding amounts; complete de-identification of the Store; returning confidential information; sell to us the assets of the Store we choose to purchase, if any (also see (o) and (r) below).
j. Assignment of contract by us	Section 12.1	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee – defined	Section 12.2	Includes transfer of Franchise Agreement, sale of Store's assets and ownership change
l. Our approval of transfer by franchisee	Section 12.3	No transfer without our prior written consent.

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	Section 12.3	New franchisee qualifies, you pay us, our affiliate and third party vendors all amounts due , including transfer fees, and submit all reports, new franchisee (and its owners and affiliates) are not in a competitive business, training completed, transferee signs our then current franchise agreement and other documents, transfer fee paid, you sign release, we approve material terms of the sale, you subordinate to us any amounts due to you, lease transferred (if applicable), owners of transferee sign guaranty, you agree to a non-compete restriction, and you remove any materials that identify you as a Beef Jerky franchise.
n. Our right of first refusal to acquire franchisee's business	Section 12.8	We may match any offer for your Store or an ownership interest in you.
o. Our option to purchase franchisee's business	Section 15.5	We may buy the Store or certain assets of the Store and its premises at fair market value after the Agreement is terminated or expires.
p. Death or disability of franchisee	Section 12.5	Upon your death or disability, your representative must designate an operator who is acceptable to us for your Store within 60 days and transfer your interest to an approved party within 180 days. This transfer is subject to the same terms and conditions as any other transfer.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 7	You and your owners agree that, during the Agreement's term, neither you nor any owner, nor any member of your or an owner's immediate family will: (1) have any direct or indirect, controlling or non-controlling interest as an owner -(whether of record, beneficial or otherwise) in a Competitive Business (defined below), wherever located or operating; (2) perform services as a director, officer, manager, employee, consultant, representative or agent, or in any other capacity, for a Competitive Business, wherever located or operating; (3) recruit or hire any employee of ours, our affiliates or our franchisees or licensees without obtaining our or the employer's prior written permission; or (4) divert or attempt to divert any actual or potential business or customer of the Store to a Competitive Business. The term "Competitive Business" means a business that offers the same or substantially similar products and services as a Beef Jerky Store or grants franchise licenses to others to operate these types of businesses, other than a Store operated under an agreement with us.
r. Non-competition covenants after the franchise are terminated expires or is transferred	Section 15.4	No direct or indirect ownership interest in, or performing for, Competitive Businesses for two years within 25 miles of former franchise location and any current Beef Jerky Store in the System including those under Franchise Agreement but not yet built or open.
s. Modification of the agreement	Section 17.12	No modifications generally, but we may make changes to the Operations Manual and System Standards.
t. Integration/merger clause	Section 17.14	Only the terms of the Franchise Agreement (including the Operations Manual) are binding (subject to state law). We do not disclaim, and you do not waive reliance on any representations made in this disclosure document or in its exhibits and amendments.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17	Arbitration in Sevier County, Tennessee (subject to applicable state law)
v. Choice of forum	Section 17	Sevier County, Tennessee (subject to applicable state law)
w. Choice of law	Section 17	Tennessee law governs (subject to applicable state law)

THE MULTI-UNIT OPERATOR RELATIONSHIP

Provision	Section in Multi-Unit Operator Agreement	Summary
a. Length of the franchise term	6	Length of the Minimum Performance Schedule
b. Renewal or extension of the term	5	After all Stores have been developed, we will negotiate in good faith another Multi-Unit Operator Agreement
c. Requirements for multi-unit operator to renew or extend	Not applicable	
d. Termination by multi-unit operator	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by us without cause	Not applicable	
f. Termination by us with cause	9	We can terminate if you commit any one of several listed violations
g. "Cause" defined – curable defaults	9	If you use the Marks or System without our consent; participating in a Competitive Business; failure to pay money to us when due; you begin developing a Store before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Store before a Franchise Agreement for that Store has been signed

Provision	Section in Multi-Unit Operator Agreement	Summary
h. "Cause" defined – non-curable defaults	9	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your Stores stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i. Multi-unit operator's obligations on termination/non-renewal	10	You must stop selecting sites for Stores, and you may not open any more Stores
j. Assignment of contract by us	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Operator Agreement
k. "Transfer" by multi-unit operator – defined	11	Includes transfer of any interest in the Multi-Unit Operator Agreement
l. Our approval of transfer by multi-unit operator	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Stores required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Operators, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n. Our right of first refusal to acquire multi-unit operator's business	11	We have the right to match the offer to purchase your business

Provision	Section in Multi-Unit Operator Agreement	Summary
o. Our option to purchase multi-unit operator's business	Not applicable	
p. Death or disability of multi-unit operator	11	Interest must be transferred to an approved party within 12 months
q. Non-competition covenants during the term of the franchise	12	Can't divert business or operate a Competitive Business anywhere (subject to state law)
r. Non-competition covenants after the franchise are terminated or expires	13	No direct or indirect ownership interest in or performing for, Competitive Businesses for two years within 25 miles of former franchise location and any current Beef Jerky Store in the System including those under Franchise Agreement but not yet built or open (subject to state law).
s. Modification of the agreement	18	No modifications except by mutual agreement of the parties
t. Integration/merger clause	18	Only the terms of the Multi-Unit Operator Agreement are binding (subject to state law). We do not disclaim, and you do not waive reliance on any representations made in this disclosure document or in its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	19	Arbitration in Sevier County, Tennessee (subject to applicable state law)
v. Choice of forum	19	Sevier County, Tennessee (subject to applicable state law)
w. Choice of law	18	Tennessee law governs (subject to applicable state law)

ITEM 18
PUBLIC FIGURES

We do not at this time use any other public figure. We reserve the right to use any public figure we choose in the future without your permission.

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) 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 represent information for our past four (4) fiscal years ending October 31. with respect to Beef Jerky Experience Stores. Table 1 represents the average gross sales, average gross product cost, average gross product profit and average gross product margin achieved by non-franchised Stores owned and operated by our Affiliates for at least one (1) year. In Table 2, we have listed only the average gross product sales achieved by franchised Stores owned and operated by our franchisees for at least one year.

In Table 3, we provide additional breakdown detail for the Affiliated Stores in the form of three (3) tiers. This provides a high, mid and low perspective on average gross product sales results of the Affiliate stores. Other than with respect to the length of time that an Affiliate Store has been in operation, or that franchisees will pay royalties, marketing and other fees set forth by Item 6, there are no material differences in the operation of an Affiliated Store as compared to a Franchised Store.

In Table 4, we provide additional breakdown detail for the franchised Stores operated by our franchisees for at least one year. This provides a high, mid-and-low perspective on gross product sales results of the Franchised Stores.

The tables below are with respect to our traditional Store franchises and those that may be developed as convenience Stores at fueling stations. It is to be noted that there are no differences in the fees and costs you will incur under Items 5, 6 and 7 of this disclosure document for either model we offer.

We define our terms used in the Tables below as follows:

Gross Product Sales: those items comprising beef jerky, all merchandise and specialty goods revenue.

Gross Product Margin: Cost of beef jerky, all merchandise and specialty goods.

Gross Margin: Gross Product Sales less Gross Product Costs.

Table #1 ~~2021,~~ 2022, 2023 ~~and,~~ 2024 and 2025 Average Results of Affiliate Stores								
No. of Stores	**Year**	**Average Gross Product Sales**	**Average Gross Product Cost**	**Average Gross Margin Dollars***	**Average Gross Margin* Percentage**	**Highest**	**Median**	**Lowest**
~~6~~	~~2021~~	~~$1,228,132~~	~~$552,659~~	~~$675,472~~	~~55%~~	~~$2,163,473~~	~~$1,178,746~~	~~$718,343~~
6	2022	$1,005,701	$425,747	$579,954	58%	$1,863,133	$993,678	$471,296
6	2023	$872,018	$369,154	$502,863	58%	$1,734,198	$~~885~~855,156	$351,629
5	2024	$886,389	$392,966	$493,423	56%	$1,633,599	$765,469	$291,991
5	2025	$888,978	$391,150	$497,828	56%	$1,715,189	$739,110	$268,412

Table #2 ~~2021,~~ 2022, 2023 ~~and,~~ 2024 and 2025 Average Results of Franchised Stores					
No. of Stores	**Year**	**Average Gross Product Sales**	**Median**	**Highest**	**Lowest**
~~79~~	~~2021~~	~~$488,160~~	~~$424,774~~	~~$1,358,073~~	~~$154,152~~
77	2022	$460,379	$395,948	$1,462,814	$128,359
74	2023	$460,992	$390,660	$1,347,385	$200,079
66	2024	$430,842	$366,221	$1,276,505	$163,324
62	2025	$430,063	$369,957	$1,326,747	$93,153

Table #3 ~~2021,~~ 2022, 2023, 2024 and ~~2024~~2025 Additional Detail of Average Results of Affiliate Stores										
Range	**No. of Stores**	**Year**	**Average Gross Product Sales**	**Average Gross Product Number of Stores Attained/ Surpassed**	**Average Gross Product Percentage Attained/ Surpassed**	**Median**	**Median Number of Stores Attained/ Surpassed**	**Median Percentage Attained/ Surpassed**	**Highest**	**Lowest**
High	2	~~2021~~	~~$1,718,109~~	1	50.00%	~~$1,718,109~~	1	50.00%	~~$2,163,473~~	~~$1,272,744~~
High	2	2022	$1,487,763	1	50.00%	$1,487,763	1	50.00%	$1,863,133	$1,112,393
High	2	2023		1	50.00%	$1,374,959	1	50.00%	$1,734,198	$1,015,719

High	2	2024 2025	$1,374,959 $1,304,509 $1,349,131	1	50.00%	$1,304,509 $1,349,131	1	50.00%	$1,633,599 $1,715,189	$975,418 $983,072
Mid	2	~~2021~~	~~$1,178,746~~	1	50.00%	~~$1,178,746~~	1	50.00%	~~$1,206,844~~	~~$1,150,648~~
Mid	2	2022	$993,678	1	50.00%	$993,678	1	50.00%	$1,050,524	$936,831
Mid	2	2023	$855,156	1	50.00%	$855,156	1	50.00%	$879,744	$830,567
Mid	2	2024 2025	$765,469 $739,110	1	50.00%	$~~366,221~~76 5,469 $739,110	1	50.00%	$799,169 $802,643	$731,769 $675,576
Low	2	~~2021~~	~~$787,541~~	1	50.00%	~~$787,541~~	1	50.00%	~~$856,738~~	~~$718,343~~
Low	2	2022	$535,662	1	50.00%	$535,662	1	50.00%	$600,027	$471,296
Low	~~2~~	2023	$385,939	1	~~50.00%~~	$385,939	1	~~50.00%~~	$420,248	$351,629
Low	1	2024	$291,991	1	100.00%	$291,991	1	100.00%	$291,991	$291,991
	1	2025	$268,412		100.00%	$268,412		100.00%	$268,412	$268,412

Table #4

~~2021,~~ 2022, 2023, 2024 and 2025~~2024~~ Additional Detail of Average Results of Franchised Stores

Range	No. of Stores	Year	Average Gross Product Sales	Average Gross Product Number of Stores Attained/ Surpassed	Average Gross Product Percentage Attained/ Surpassed	Median	Median Number of Stores Attained/ Surpassed	Median Percentage Attained/ Surpassed	Highest	Lowest
High	~~26~~	~~2021~~	~~$776,860~~	~~10~~	~~38.46%~~	~~$676,279~~	~~13~~	50.00%	~~$1,358,073~~	~~$535,102~~
High	26	2022	$700,921	9	34.62%	$609,016	13	~~50.00%~~	$1,462,814	$497,858
High	25	2023	$710,732	11	44.00%	$599,409	14	56.00%	$1,347,385	$504,459
High	22	2024	$681,581	6	27.27%	$599,829	11	50.00%	$1,276,505	$480,397
	21	2025	$693,916	6	28.57%	$611,605	10	50.00%	$1,326,747	$489,838
Mid	~~27~~	~~2021~~	~~$433,005~~	~~12~~	~~44.44%~~	~~$424,774~~	~~13~~	~~48.15%~~	~~$516,911~~	~~$366,769~~
Mid	25	2022	$407,637	10	40.00%	$395,948	12	48.00%	$495,839	$349,907
Mid	24	2023	$401,485	10	41.67%	$390,660	12	50.00%	$502,598	$331,430
Mid	22	2024	$378,086	9	40.91%	$366,221	11	50.00%	$468,981	$313,486
	21	2025	$383,721	8	38.10%	$369,957	10	47.62%	$477,630	$312,859
Low	~~26~~	~~2021~~	~~$256,737~~	~~15~~	57.69%	~~$268,954~~	~~13~~	~~50.00%~~	~~$347,519~~	~~$154,152~~
Low	26	2022	$270,550	15	~~57.69%~~	$287,716	12	46.15%	$337,841	$128,359
Low	25	2023	$268,379	11	44.00%	$260,292	14	58.33%	$328,564	$200,079
Low	22	2024	$232,859	9	40.91%	$226,109	11	50.00%	$310,285	$163,324
	20	2025	$223,180	11	55.00%	$240,186	10	50.00%	$309,968	$93,153

- We define "Gross Margin" in Table 1 to mean total sales less cost of goods.

As of the end of our fiscal year on October 31, ~~2024~~2025, we did not have any franchisees operating a "Pop-Up" Store. We had 4 "Flex/Seasonal" franchises in operation for at least one year as of our year end that are included in Tables 2 and 4 for 2025.
~~2024.~~

Fueling Station Model:

Our Affiliate, Prestige Oil Inc. ("Prestige Oil")**, a Michigan corporation headquartered at 109 Cabela Blvd. E., Dundee, Michigan 48131, owns and operates one (1) fueling station with a Beef Jerky convenience store that is the basis upon which our Fueling Station Model Store is offered. The following tables represent information for our Affiliate for the past three (3) fiscal years ending October 31 with respect to gross product sales, gross product costs and gross margin percentage with respect to sale of Beef Jerky, petroleum and convenience store items (Tables 1a - 1c), all sales (Table 1d), and fuel gallons sold (Table 2).

Table #1a

Fiscal Years Ended 2022, 2023 and, 2024 and 2025 Results of Affiliate Store - Beef Jerky

# of Stores	Year	Gross Product Sales - Jerky	Gross Product CostJerky	Gross Margin Dollars - Jerky	Gross Margin Percentage - Jerky
1	2022	$1,052,992	$443,241	$609,751	58%
1	2023	$1,004,425	$443,083	$561,342	56%
1	2024	$975,418	$460,914	$514,504	53%
1	2025	$983,072	$452,183	$530,889	54%

Table #1b

Fiscal Years Ended 2022, 2023 and, 2024 and 2025 Results of Affiliate Store - Petroleum

# of Stores	Year	Gross Product Sales - Petroleum	Gross Product Cost Petroleum	Gross Margin Dollars - Petroleum	Gross Margin Percentage -Petroleum
1	20232022	$3,058,168163,060	$2,778,321837,162	$279,847325,898	910%
1	20242023	$3,163,060308,803	$2,837,162934,679	$325,898374,124	1011%
1	20252024	$3,308,803175,914	$2,934,679782,143	$374,124393,771	1112%

Table #1c

Fiscal Years Ended ~~2022,~~ 2023 ~~and,~~ 2024 and 2025 Results of Affiliate Store - Convenience Store					
# of Stores	Year	Gross Product Sales - C Store	Gross Product CostC Store	Gross Margin Dollars - C Store	Gross Margin Percentage - C Store
~~1~~	~~2022~~	~~$331,133~~	~~$243,242~~	~~$87,891~~	~~27%~~
1	2023	$354,933	$261,910	$93,023	26%
1	2024	$337,116	$259,840	$77,276	23%
1	2025	$317,126	$237,964	$79,162	25%

Table #1d Fiscal Years Ended ~~2022,~~ 2023 ~~and,~~ 2024 and 2025 Results of Affiliate Store - All Sales					
# of Stores	Year	Gross Product Sales	Gross Product Cost	Gross Margin Dollars	Gross Margin Percentage
~~1~~	~~2022~~	~~$4,442,293~~	~~$3,464,804~~	~~$977,489~~	~~22%~~
1	2023	$4,522,418	$3,542,155	$980,263	22%
1	2024	$4,621,337	$3,655,433	$965,904	21%
1	2025	$4,476,112	$3,472,291	$1,003,821	22%

Table #2 FY Ended ~~2022,~~ 2023 ~~and,~~ 2024 and 2025 Results of Affiliate Store - Fuel Gallons				
# of Stores	Year	Gasoline Gallons	Diesel Gallons	Total Gallons
~~1~~	~~2022~~	~~698,441~~	~~89,867~~	~~788,308~~
1	2023	825,814	87,421	913,235
1	2024	883,611	109,029	992,640
1	2025	914,623	109,019	1,023,642

** The above Affiliate is included in the original Item 19 with respect to non-petroleum Store sales.

Notes:

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

Many of our store owners utilize various revenue streams including but not limited to Pop-Up, festivals, loyalty marketing, online sales, etc. All of these revenue streams are available to all franchisees should they choose to take advantage of them. We do not receive sales and accounting information from our franchisees with respect to sales from festivals, loyalty marketing programs and online sales.

The figures used in this statement are average gross sales, average gross cost, average gross profit and average gross margin only. We do not supply or provide cost information, however, the cost of goods to Affiliate Stores and costs of goods to our franchisees is the same. Our franchisees will not incur a greater cost of goods than our Affiliate Stores. There are no product cost differences between Affiliate Stores and our franchisees. The Affiliated Stores do not pay royalties but do pay advertising fees. There are no other unique costs to franchisees that are not borne by Affiliated Stores.

We offered substantially the same services to the Stores described in this Item 19. These Stores offered substantially the same products and services to the public as you will. The Stores report gross sales information to us based upon a uniform reporting system.

Written substantiation for the financial performance representation of Affiliated Stores will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do 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 Scott Parker at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 and (865) 934-8000; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For years ~~2022,~~ 2023, 2024 and ~~2024~~2025

Column 1 ~~Column 1~~ Outlet Type	Column 2 ~~Column 2~~ Year	Column 3 ~~Column 3~~ Outlets at the Start of the Year	Column 4 ~~Column 4~~ Outlets at the End of the Year	Column 5 ~~Column 5~~ Net Change
Franchised	20222023*	9189	8982	-27
~~2023**~~	~~89~~	~~81~~	~~-8~~	
	2024~~*****~~	8182	7475	-7
	2025	75	63	-12
Company-owned	2023	6	6	0
~~2022~~	~~6~~	~~6~~	~~0~~	
~~2023~~	~~6~~	~~6~~	~~0~~	
	2024	6	5	-1
	2025	5	5	0
Total Outlets	20232022	9795	9588	-27
~~2023~~	~~95~~	~~87~~	~~-8~~	
	2024	8788	7980	-8
	2025	80	68	-12

Split Cells

Notes to Table No. 2

- ~~*This includes one (1) franchise that converted to a short-term license. This Licensee is listed in Exhibit E. Also, included are three (3) franchises that are temporarily closed but will re-open in new locations.~~
- ***This includes six (6) franchises that were temporarily closed but re-opened in new locations in 2024.
- ~~*****~~**This includes four (4) franchises that were temporarily closed but will re-open in new locations in 2025.

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2022,~~ 2023, 2024 and 2025~~2024~~

Column 1 ~~State~~	Column 2 ~~Year~~	Column 3 ~~Number of Transfers~~

State~~Alabama~~	Year~~2022~~	Number of Transfers~~1~~		
		~~2023~~	~~0~~	
		~~2024~~	~~0~~	
Arizona	2023~~2022~~	0		
		~~2023~~	~~0~~	
	2024	1		
	2025	0		
Florida	2023~~2022~~	1		
		~~2023~~	~~1~~	
	2024	1		
	2025	0		
Indiana	2023~~2022~~	~~0~~1		
		~~2023~~	~~1~~	
	2024	0		
~~Maryland~~		~~2022~~	~~1~~	
	2025~~2023~~	0		
		~~2024~~	~~0~~	
Missouri	2023~~2022~~	~~0~~2		
		~~2023~~	~~2~~	
	2024	0		
	2025	1		
West Virginia	2023~~2022~~	~~0~~2		
		~~2023~~	~~2~~	
	2024	0		
	2025	0		
Wisconsin	2023~~2022~~	~~0~~2		
		~~2023~~	~~2~~	

Split Cells

	2024	2
	2025	0
Total	20232022	38
	2023	7
	2024	4
	2025	1

Split Cells

Split Cells

Table No. 3
Status of Franchised Outlets
For years 2022, 2023, 2024 and 20252024

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Alabama	20232022	1	0	0	0	0	0	1
	20242023	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arkansas	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arizona	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	2025	4	0	0	0	0	0	4
Connecticut	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Delaware	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	2	6
	2025	6	0	0	0	0	0	6
Georgia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0		0
Illinois	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Arkansas~~	~~2022~~2025	~~2~~1	0	0	0	0	0	~~2~~1
Iowa	2023	~~2~~1	0	0	0	0	1	~~1~~0
	2024	~~1~~0	0	0	0	0	0	~~1~~0
~~California~~	~~2022~~2025	~~1~~0	0	0	0	0	0	~~1~~0
Indiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Colorado~~	~~2022~~2025	~~3~~1	~~1~~0	0	0	0	0	~~4~~1
Kansas	2023	~~4~~2	0	0	0	0	0	~~4~~2
	2024	~~4~~2	0	0	0	0	0	~~4~~2
~~Connecticut~~	~~2022~~2025	~~0~~2	~~1~~0	0	0	0	0	~~1~~2
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Delaware~~	~~2022~~2025	1	0	0	0	0	0	1
Louisiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	~~0~~1	~~1~~0

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
~~Florida~~	~~2022~~2025	~~7~~0	~~1~~0	0	0	0	0	~~8~~0
Maryland	2023	~~8~~1	0	0	0	0	0	~~8~~1
	2024	~~8~~1	~~0~~1	0	0	0	1	~~7~~1
~~Georgia~~	~~2022~~2025	1	0	0	0	0	0	1
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	~~0~~1	~~1~~0
~~Illinois~~	~~2022~~2025	~~1~~0	0	0	0	0	0	~~1~~0
Minnesota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Iowa~~	~~2022~~2025	1	0	0	0	0	0	1
Mississippi	2023	~~1~~0	0	0	0	0	~~1~~0	0
	2024	0	0	0	0	0	0	0
~~Indiana~~	~~2022~~2025	~~1~~0	0	0	0	0	0	~~1~~0
Missouri	2023	~~1~~5	0	0	0	0	~~0~~2	~~1~~3
	2024	~~1~~3	~~0~~1	0	0	0	0	~~1~~4
~~Kansas~~	~~2022~~2025	~~2~~4	0	0	0	0	~~0~~2	2
Montana	2023	2	~~0~~1	0	0	0	~~0~~1	~~2~~1
	2024	~~2~~1	~~0~~1	0	0	0	0	~~2~~1
~~Kentucky~~	~~2022~~2025	1	0	0	0	0	0	1
Nevada	2023	~~1~~0	0	0	0	0	0	~~1~~0
	2024	~~1~~0	0	0	0	0	0	~~1~~0
~~Louisiana~~	~~2022~~2025	~~1~~0	0	0	0	0	0	~~1~~0
New Jersey	2023	~~1~~4	0	0	0	0	0	~~1~~4
	2024	~~1~~4	0	0	0	0	1	~~0~~3
~~Maryland~~	~~2022~~2025	~~1~~3	0	0	0	0	0	~~1~~3
New York	2023	~~1~~6	0	0	0	0	~~0~~1	~~1~~5
	2024	~~1~~5	~~1~~0	0	0	0	~~1~~0	~~1~~5
~~Massachusetts~~	~~2022~~2025	~~1~~5	0	0	0	0	~~0~~4	1
N. Carolina	2023	~~1~~3	0	0	0	0	0	~~1~~3
	2024	~~1~~3	~~0~~1	0	0	0	~~1~~0	~~0~~4

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
~~Minnesota~~	~~2022~~2025	~~2~~4	0	0	0	0	~~1~~0	~~1~~4
Ohio	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	~~0~~1	~~1~~0
~~Mississippi~~	~~2022~~2025	0	0	0	0	0	0	0
Oklahoma	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
~~Missouri~~	~~2022~~2025	~~5~~0	0	0	0	0	0	~~5~~0
Pennsylvania	2023	~~5~~12	0	0	0	0	2	~~3~~10
	2024	~~3~~10	1	0	0	0	~~0~~2	~~4~~9
~~Montana~~	~~2022~~2025	~~1~~ 9	1	0	0	0	0	~~2~~10
S. Carolina	2023	~~2~~7	~~1~~0	0	0	0	~~1~~0	~~1~~7
	~~2024~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~Nevada~~	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2023~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2024~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~New Jersey~~	~~2022~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~4~~
	~~2023~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	~~2024~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~2~~
~~New York~~	~~2022~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~6~~
	~~2023~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~5~~
	~~2024~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5~~
~~N. Carolina~~	~~2022~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~3~~
	~~2023~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	~~2024~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~3~~
~~Ohio~~	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2023~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2024~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~0~~
~~Oklahoma~~	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2023~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~2024~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Pennsylvania~~	~~2022~~	~~11~~	~~2~~	~~0~~	~~0~~	~~0~~	~~1~~	~~12~~
	~~2023~~	~~12~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~10~~
	~~2024~~	~~10~~	~~1~~	~~0~~	~~0~~	~~0~~	~~2~~	~~9~~
~~S. Carolina~~	~~2022~~	~~6~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7~~
	~~2023~~	~~7~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7~~
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	1	6
South Dakota	2023~~2022~~	2	0	0	0	0	0	2
	~~2023~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Tennessee	2023~~2022~~	0	0	0	0	0	0	0
	~~2023~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Texas	2023~~2022~~	9	0	0	0	0	~~0~~1	~~9~~8
	~~2023~~	~~9~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~8~~
	2024	8	0	0	0	0	~~0~~1	~~8~~7
	2025	7	0	0	0	0	3	4
Virginia	2023~~2022~~	3	~~0~~1	0	0	0	0	~~3~~4
	~~2023~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	2	1
West Virginia	2023~~2022~~	~~4~~1	0	0	0	0	~~3~~0	1
	2024	1	0	0	0	0	0	1

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	2025	1	1	0	0	0	1	1
Washington	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Washington~~	~~2022~~2025	1	0	0	0	0	~~0~~1	~~1~~0
Wisconsin	2023	~~1~~4	0	0	0	0	0	~~1~~4
	2024	~~1~~4	0	0	0	0	0	~~1~~4
~~Wisconsin~~	~~2022~~2025	4	0	0	0	0	0	4
	~~2023~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	~~2024~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
Total	2023~~2022~~	~~91~~89	~~7~~2	0	0	0	9	~~89~~82
	~~2023~~	~~89~~	~~1~~	~~0~~	~~0~~	~~0~~	~~9~~	~~81~~
	2024	~~81~~82	4	0	0	0	11	~~74~~75
	2025	75	3	0	0	0	15	63

~~Table~~
able No. 4
Status of Company-Owned Outlets
For years ~~2022,~~ 2023, 2024 and ~~2024~~2025*

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired ~~fr om~~from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Michigan	2023~~2022~~	1	0	0	0	0	1
	2024~~2023~~	1	0	0	0	0	1
	~~2024~~2025	1	0	0	0	0	1
Tennessee	2023~~2022~~	5	0	0	0	0	5
	2024~~2023~~	5	0	0	~~0~~1	0	~~5~~4
	~~2024~~2025	~~5~~4	0	0	~~1~~0	0	4
Total	2023~~2022~~	6	0	0	0	0	6

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired ~~fr om~~from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
	20242~~2023~~	6	0	0	~~0~~1	0	~~6~~5
	~~2024~~2025	~~6~~5	0	0	~~1~~0	0	5

*The information provided is on a fiscal year basis ending October 31, ~~2022, October 31,~~ 2023, October 31, 2024, and October 31, ~~2024~~2025.

Table No.5
Projected Openings as of October 31, ~~2024~~2025*

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
~~Florida~~Arkansas	~~1*~~0	~~0~~1	0
Kansas	~~0~~1	~~1~~0	0
~~South Dakota~~West Virginia	~~0~~1	~~2~~1	0
Wyoming	~~0~~1	~~1~~0	0
Total	~~1*~~3	~~4~~2	0

~~-~~*The ~~Florida~~Kansas location known as Hays, Kansas~~St. Augustine, Florida~~ opened on November ~~7, 2024.~~5, 2025 and the Wyoming location known as Cody, Wyoming opened on November 21, 2025.

A list of the names of all franchisees, licensees and multi-unit operators and the addresses and telephones numbers of their businesses is provided in Exhibit E to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit operator who had a business terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or Multi-Unit Operator Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have signed Franchise Surrender Agreements with nineteen (19) franchisees that contained confidentiality provisions. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all of those franchisees will be able to communicate with you.

There are no trademark-specific organizations formed by our franchisees that are associated with the Beef Jerky ~~Store~~Experience System.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year end is October 31 of each year. Attached as Exhibit D are our audited financial statements for our fiscal years ending October 31, ~~2024, October 31, 2023, and October 31, 2022. We are also attaching as Exhibit D our unaudited Balance Sheet ending January 31, 2025, and unaudited Statement of Income for the three (3) months ended January 31, 2025.~~2025, October 31, 2024, and October 31, 2023.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement
Exhibit C	Multi-Unit Operator Agreement
Exhibit I	Form of General Release
Exhibit L	Reservation Agreement

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document at Exhibit M. ~~-~~If you have not received this Disclosure Document through ~~DocuSign~~Docusign, please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, The Beef Jerky Outlet Franchise, Inc. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which The Beef Jerky Outlet Franchise, Inc. has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

CALIFORNIA	**CONNECTICUT**
California Department of Financial Protection And Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner

HAWAII (State administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (Agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA (State administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (Agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	**MARYLAND** (State administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (For service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360

MICHIGAN (State administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117 (For service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	**MINNESOTA** (State administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600 (For service of process) Minnesota Commissioner of Commerce
NEW YORK (State administrator) New York State Department of Law Investor Protection Bureau 28 Liberty Street. 21st Floor New York, New York 10005 (212) 416-8222 (For service of process) Secretary of State 99 Washington Ave. Albany, New York 12231 (518) 474-4750	**NORTH DAKOTA** North Dakota Insurance & Securities Department<br~~State Capitol, Fifth Floor, Dept. 414~~ 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 (701) 328-~~4712~~2910
OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582

SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid Street, Ste. 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (For service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON (State administrator) Washington Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504 - 1200 (360) 902-8760 (For service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater WA 98501	**WISCONSIN** (State administrator) Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-1064 (For service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

THE BEEF JERKY OUTLET FRANCHISE, INC.

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

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Exhibit 4 – Internet Website and Listing Agreement
Exhibit 5 - Telephone Listing Agreement
Exhibit 6 – Multi-State Addendum
Exhibit 7 – Seasonal Location Amendment

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of _____ by and between The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation whose principal business address is 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 ("we", "us" or "our") and _____, whose principal business address is _____ _____ ("you" or "your").

ARTICLE 1
PREAMBLES AND GRANT OF FRANCHISE

1.1 Preambles

1.1.1 We and our affiliates have designed and developed a method of developing and operating (i) a business under the "Beef Jerky Experience" name which is a specialty retail food store that features an exceptional variety of jerky products, sausages and smoked meats, sauces, rubs, seasonings, marinades, jams, butters, jellies, peanuts, popcorn, candies, cheeses, and other similar foods. ~~The~~ Beef Jerky Experience business ("Store~~") operates~~" or "Stores") operate using proprietary methods, techniques, trade dress, trademarks and logos. ~~Beef Jerky Experience~~ Stores have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop and otherwise modify from time to time ("System~~").~~ ");

1.1.2 ~~—~~, We and our affiliate have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating ~~Beef Jerky Experience~~ Stores, including the mark "Beef Jerky ~~Outlet" and Beef Jerky~~ Experience~~",~~" which have gained public recognition and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating Stores (collectively, the "Marks" or "Proprietary Marks~~"):~~");

1.1.3 We grant to persons who meet our qualifications, and who are willing to undertake the investment and effort, a franchise to own and operate a Store offering the products and services we authorize and using our System.

1.1.4 You have applied for a franchise to own and operate a Store, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in such application and this Agreement.

1.2 Grant of Franchise; Term

Subject to the terms of this Agreement, we grant you a franchise (the "Franchise") to operate a ~~Beef Jerky Experience~~ Store at the "Site" identified on Exhibit 2, and to use the Marks and the System in its operation, for a term beginning on the date your store opens for business and expiring five (5) years from that date, unless sooner terminated as provided herein. You shall be permitted to sell products at wholesale only within your Designated Territory. You are required to provide a copy of the lease executed by the landlord and you. We will then send you a letter

confirming the date upon which your franchise term shall start as reflected by the last date the lease is signed.

1.3 Designated Territory; Right of First Refusal

Upon our approval of the Site for your Store, we will describe your Designated Territory in Exhibit 2 hereto which will be the area within a radius of two (2) miles around your Store, provided that: (i) if your Store is located in a highly populated, urban area, we may at our discretion determine a Designated Territory that is less than two (2) miles, and (ii) if your Store is located in a shopping mall or outlet mall, your Designated Territory will be the geographic boundary of the mall or outlet. All references to "geographic boundary" in this Section 1.3 and in Exhibit 2 shall mean the real property of the applicable mall or outlet as determined by the local governing authorities or the mall owner as referenced by geographic maps/drawings or tax parcel identifications as applicable and may be depicted on a map attached to Exhibit 2. Except as limited by Section 1.4 below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate or grant a franchise for the operation of another ~~Beef Jerky Experience~~ Store at a location within the Designated Territory during the term of this Agreement.

If any non-traditional site (such as an airport, hospital, school, office building, stadium, arena, ballpark, military base and other mass gathering locations or events including those where an admission fee may be charged) is located within the physical boundaries of your Designated Territory, then the premises of this non-traditional site will not be included in your Designated Territory. You will however have a right of first refusal to this non-traditional site. If your Store is located at a non-traditional site, the physical address of such non-traditional site will be the Designated 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.

If a non-traditional site becomes available or is being sought by another franchisee or candidate that is in or near your Designated Territory, we will offer you the opportunity to open a Store at the non-traditional site. You must be in compliance with your Franchise Agreement and current in all payments owed to us and/or our affiliates. You will have 10 days after receiving information from us concerning the new Store opportunity to accept the right of first refusal. If you decline this right of first refusal or do not respond to us within the 10-day period, we may offer the opportunity to develop a Store at the non-traditional site to a third party or we or one of our affiliates may open a Store at the non-traditional site.

1.4 Rights Reserved to Us

Except as expressly limited by Section 1.3 above, we and our affiliates retain all rights with respect to ~~Beef Jerky Experience~~ Stores, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

1.4.1 the right to offer and sell and to grant others the right to offer and sell the products and services offered at Stores, both within and outside the Designated Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate;

1.4.2 the right to operate and to grant others the right to operate Stores located outside the Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your Store; and

1.4.3 the right to acquire and operate a business operating one or more similar stores located or operating in your Designated Territory, but if one of these stores is located within your Designated Territory, it will not operate using the Marks.

1.5 Relocation

You may not relocate the Store from the Site without our approval. If we approve your request to relocate your Store, the new site must be within your Designated Territory. We will use our then-current criteria to review a proposed relocated site for your Store. We reserve the right to require you to sign our then-current Franchise Agreement. While will not have to pay another initial franchise fee, you must reimburse our expenses related to your relocation request.

ARTICLE 2
SITE SELECTION AND OPENING OF STORE

2.1 Approval of Site and Lease

You shall obtain our written approval of any proposed site for the Store in accordance with our procedures, which approval will not be unreasonably withheld. If we have not visited your Designated Territory, we may at our discretion visit your proposed site if requested. In such event, you must pay our actual costs of travel and lodging for each visit. Within one (1) year after you execute this Agreement, you shall have located a site that has been approved by us. If you fail to locate a site that we have approved and signed a lease or purchased property for a site within this one (1) year period we may at our discretion choose to extend this period or terminate this Agreement, without refund of your initial franchise fee.

You shall submit to us the information that we require in order to evaluate the proposed site for your Store. You acknowledge that in approving a proposed site we may consider such matters as we deem material including, without limitation, demographic characteristics, traffic patterns, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the exclusivity granted to other franchisees of ours, the site's size, its appearance, and other physical characteristics. Within thirty (30) days after our receipt of all information we require concerning the proposed site, we will approve or disapprove the site you propose for the operation of the Store by giving written notice to you. Unless we provide our specific approval of your proposed site, the site is deemed not approved. We will not unreasonably withhold our approval of a proposed site that meets our standards and specifications for a Store. Upon our approval of a proposed site for the Store, the address of the Store, and its associated Designated Territory, will be inserted on Exhibit 2 to this Agreement.

After opening your first single franchise location, with our prior written approval, you may operate an unlimited number of "Pop-Up" temporary/seasonal Beef Jerky Experience locations ("Seasonal/Tourism Locations") within your Designated Territory. Our approval will be based on the same factors disclosed above with respect to operation of your franchise Store on a full year-

round basis. A "Pop-Up Location" is defined as a temporary site to be operated a maximum of one hundred (100) consecutive days per year, generally leased within malls, neighborhood strip centers, and retail centers/boardwalks catering to individuals/families on vacation by landlords with vacant sites. For each "Pop-Up" Location, you will be required to execute an amendment to this Franchise Agreement in the form set forth at Exhibit 7.

You hereby acknowledge and agree that our approval of the Site does not constitute an expressed or implied assurance, representation or warranty of any kind as to the suitability of the site for a ~~Beef Jerky Experience~~ Store or for any other purpose. Our approval of the Site indicates only that we believe the Site complies with acceptable minimum criteria established by us solely for our purposes as of the time of evaluation. We shall not be responsible for the failure of the Site to meet your expectations as to revenue, operational performance or other measures. You further acknowledge and agree that your acceptance of a Franchise for the operation of the Store at the Site is based on your own independent investigation of the suitability of the Site.

Before you may enter into a lease for the Site, you must submit the proposed lease to us for our approval, which will not be unreasonably withheld. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached as Exhibit H to this Agreement.

2.2 Operating Assets

You agree to use in developing and operating the Store only those Operating Assets that we approve in writing from time to time for ~~Beef Jerky Experience~~ Stores as meeting our specifications and standards for quality, design, appearance, function and performance. Operating Assets include, but are not limited to, the types, models, and brands of equipment, display and décor items, computer system, inventory items and merchandise, supplies, marketing materials and other items to be used in your Store. You agree to place or display at the Site (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing from time to time. Such signs, logos and/or materials shall be displayed using the materials we designate and in the places we designate. If we require, you must purchase or lease only approved brands, types and/or models of Operating Assets and/or purchase or lease them only from suppliers we designate or approve from time to time (which may include or be limited to us and/or our affiliates). You understand that if your Store is located on the west coast or mountain region of the United States, you will incur greater shipping charges than those that may be applicable to our franchise owners that are located closer to our suppliers. If you desire to use any Operating Asset that we have not yet evaluated, you may submit such Operating Asset for our consideration by following the procedure set forth in Section 8.3.

2.3 Computer System

You agree to use in operating the Store the computer equipment and software (collectively, the "Computer System") that we specify from time to time. You must use the point-of-sale ("POS") system we designate that meets our specifications. The POS system will provide for sales tracking, inventory management, financial reporting, credit card processing, employee time, customer emails, wholesale cost and back-office reports. This includes using a Windows based or IOS laptop or desktop, not a Tablet, with Microsoft Outlook 365. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System and/or other technological developments or events may

require you to obtain updates and/or upgrades for the Computer System and/or to purchase, lease and/or license new or modified equipment, computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System, you agree to incur the costs of obtaining the equipment or the computer hardware and software comprising the Computer System (or additions or modifications) and required service, maintenance or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly. You must install and maintain equipment and a high-speed internet connection (such as cable fiber) in accordance with our specifications. You must make sure that we have access at the times and in the manner, we specify, at your cost.

We may also require you to offer online ordering for all items offered by your franchise. You are required to maintain your computer system and on-line order and credit card payment systems in accordance with the requirements we establish and the Payment Card Industry Data Security Standards (PCI DSS). You must comply with all updates and required maintenance prescribed by the Payment Card Industry Data Security Standard Council, including purchase of necessary hardware and software. You must report any known vulnerability or breach of the Payment Card Industry Data Security Standards to us and provide proof of compliance upon our request. Upon installation of this system, we may require you to use an independent Approved Scanning Vendor (ASV) to certify that the installations are PCI compliant. We also have the right to require you to conduct certifications on an annual basis and to provide us with a copy of verification that your system is PCI compliant.

Notwithstanding the fact that you must buy, use and maintain the Computer System under our standards and specifications, you will have sole and complete responsibility (including, without limitation, responsibility for the cost thereof) for: (1) the acquisition, operation, maintenance and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if the system is not properly operated, maintained and upgraded. You agree to maintain, at all times during the term of this Agreement, a high-speed internet connection for your Computer System, and we reserve the right to designate the specifications for such internet connection.

2.4 Opening

You agree not to open the Store for business until:

2.4.1 all persons that we require satisfactorily complete our training program;

2.4.2 the initial franchise fee and all other amounts then due to us have been paid;

2.4.3 the Store has been built out, equipped and stocked with inventory according to our specifications;

2.4.4 you give us certificates for all required insurance policies or other evidence of insurance coverage and premium payment that we request; and

2.4.5 you provide us with copies of all licenses and permits required for the Store's proper operation.

If your Store is not open and operating within one (1) year after your execution of this Agreement, we have the right to terminate this Agreement or we may grant you an extension of time to open the Store. The time period to open may be less than one (1) year if you have signed a Multi-Unit Operator Agreement that provides for Stores to be opened pursuant to a development schedule.

If your franchise is a "Flex/Seasonal" location, you must create a season ending inventory closing plan prior to each applicable season that will address one or more of the following options concerning shelf-life/inventory date of expiration issues: 1) open a Pop-up location, to be operated during the closed portion of this Flex location, 2) transfer the inventory to your permanent location (if applicable), 3) operate at festivals and trade shows, 4) discount the product to sell through inventory at the end of each season, 5) donate or gift the products, or 6) sell the remaining inventory to a nearby Beef Jerky franchise owner with an open Store.

ARTICLE 3
FEES

3.1 Initial Franchise Fee

You agree to pay us, upon execution of this Agreement, a nonrecurring initial franchise fee in the amount of Forty-Nine Thousand Nine Hundred Dollars ($49,900). The initial franchise fee is due and fully earned by us when received. If you are a qualified United States veteran, we will reduce the initial franchise fee (for your first Store only) by fifty percent (50%). If you have signed a Reservation Agreement and paid the $10,000 Reservation Fee prior to execution of this Agreement, we will credit such payment toward your initial franchise fee due. If you are purchasing your second Beef Jerky franchise, your full initial franchise fee shall be $5,000 to be fully paid at the time of execution of your Franchise Agreement. If for your second Store you paid a Reservation Fee of $2,500 the balance of $2,500 shall be due at the time of signing the Franchise Agreement.

Notwithstanding the foregoing, if this Agreement is being executed pursuant to a Multi-Unit Operator Agreement between you and us, the initial franchise fee payable hereunder shall be as stated in such Multi-Unit Operator Agreement.

The initial franchise fee is not refundable under any circumstances.

3.2 Royalty Fee

During the term of this Agreement, you shall pay us, on Tuesday of each week for the previous week ending Sunday (unless Tuesday is not a business day, then it is due on the next business day) an amount equal to six percent (6%) of the Gross Sales for your Store for the preceding week ending Sunday ("Royalty Fee"). "Gross Sales" is defined as all revenue, less any returns or credits, from the sale of all products and services and all other income of every kind and nature at or from your Store or otherwise related to the Store, including any proceeds from business

interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales do not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any customer refunds or adjustments.

If any state imposes a sales or other tax on the Royalty Fee, then we have the right to collect this tax from you.

If you do not report the Store's Gross Sales, we may debit your account for one hundred twenty (120%) of the last Royalty Fee and Brand and Technology Fee (described in Section 3.3 below) that we debited. If the Royalty Fee and Brand and Technology Fee we debit are less than the fees you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand and Technology Fee we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

3.3 Brand and Technology Fee

In addition to the Royalty Fee described above, you shall pay to us a Brand and Technology fee (the "Brand and Technology Fee") in an amount equal to two percent (2%) of the Gross Sales for your Store. Such Fee is payable to us at the same time and in the same manner as the Royalty Fee and will be used by us as described in Section 9.3 below. You understand and acknowledge that we have the right, upon thirty (30) days' prior written notice to you, to increase the Brand and Technology Fee up to a maximum of four percent (4%) of Gross Sales.

3.4 Prohibited Product or Service Fee

In the event you perform any services that we have not prescribed, approved or authorized, or if you sell any, products, goods or services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized products or goods or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars ($250) per day for each day such unauthorized or unapproved product, good or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

3.5 Electronic Funds Transfer

At our request, you must sign and deliver to us the documents we, our bank or your bank require to authorize us to debit your business operating account automatically for the Royalty Fee, Brand and Technology Fee and other amounts due under this Agreement or any related agreement between us (or our affiliates) and you. We use an automatic debit program for the System, and we will debit your account for these amounts on the applicable dates. You agree to make the funds available for withdrawal by electronic transfer before each due date.

3.6 Interest on Overdue Amounts; NSF Fees

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments

to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) one and one-half percent (1.5%) per month or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and you shall not be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest. Each payment returned to us insufficient funds ("NSF") will be charged a $35 fee.

3.7 Application of Payments and Right of Set Off

Notwithstanding any designation by you, we may apply any of your payments to any of your past due indebtedness to us (or our affiliates). We may set-off any amounts you owe us or our affiliates against any amounts we or our affiliates might owe you. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement or any other agreement between us (and/or our affiliates) and you.

3.8 Annual Conference Fee

We reserve the right to charge an annual conference attendance fee of $499 to assist in defraying costs and expenses we will incur to establish and operate such conference.

3.9 Technology Systems Set-Up Fee

Upon execution of this Agreement, you agree to pay a one-time Technology Systems Set-Up Fee that will range from $1,200 to $1,630 depending upon the type of ~~$1100~~franchise you are purchasing as described in Item 7 of the Franchise Disclosure Document and a monthly technology support fee ranging from $~~100~~85-$250.

3.10 Noncompliance Fees

In the event of your noncompliance with any terms or conditions of this Agreement or the Operations Manual, Franchisor may assess a noncompliance fee upon written notification to Franchisee. This fee will be $500 for the first event of noncompliance and $1,000 for each event of noncompliance thereafter.

ARTICLE 4
TRAINING AND ASSISTANCE

4.1 Training

If this Franchise Agreement is for your first ~~Beef Jerky Experience~~ Store, before the Store opens, we will train you and/or the manager you designate to conduct the daily operation of your Store ("Highly Trusted Individual") on the operation of a ~~Beef Jerky Experience~~ Store. If you

request that we provide our training program to additional trainees, whether before your Store opens or while it is operating, you shall pay our then-current training fee for each additional trainee. We will provide approximately three (3) to five (5) days, Monday – Friday, at your store or our designated training site (which may include our headquarters, an operating ~~Beef Jerky Experience~~ Store and/or another location). Initial training will be held at such time and location and for such duration as we designate. You and/or your Highly Trusted Individual must complete the initial training to our satisfaction and participate in all other activities, we require this training prior to opening the Store. We provide this training at no additional fee; however, you shall reimburse our representative's expenses in connection with such training including, but not limited to, travel, lodging, and meals. You agree to replace any Highly Trusted Individual if we determine that he or she is not qualified to hold that position and to pay our then-current fee for training his or her replacement. You may not employ any Highly Trusted Individual who has not completed our training program to our reasonable satisfaction. If a Highly Trusted Individual is no longer employed by you, you must employ a new Highly Trusted Individual and send such Highly Trusted Individual to us to be trained, at your expense, within sixty (60) days of such Highly Trusted Individual's employment.

You will have direct communication with your Field Support Team (" FST") we assign to you within thirty (30) days prior to your store opening. Your FST will be your main source of information on all topics. In addition, a secret shopping service will conduct an onsite visit to your Store within sixty (60) days of opening and up to four (4) times annually. If you request on-site assistance, you must reimburse our expenses including travel, lodging and meals. If you are opening your second or later Store, we do not provide training to you as described by this Agreement for your first Store but will provide access to extensive on-line tutorials for your use.

We may periodically offer refresher training programs and we may designate that refresher training is mandatory for you and/or your Highly Trusted Individual. If we choose to hold these training programs, we do not anticipate charging a fee, but you must pay any expenses you and your attendees incur, including travel, lodging, meals and applicable wages.

In the event you request that we provide additional training or assistance on-site at your Store, or if we determine that you require additional training, you shall pay our then-current per diem fee for such training and you shall reimburse our representative's expenses in connection with such training or assistance, including, but not limited to, travel, lodging and meals.

4.2 Ongoing Guidance

We will advise you regarding the Store's operation based on your reports and/or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that ~~Beef Jerky Experience~~ Stores use; purchasing required Operating Assets and inventory; advertising and marketing programs; employee training, administrative, bookkeeping, and accounting procedures. We will guide you in our Operations Manual, bulletins, or other written materials, e-mails, during telephone consultations, and/or during consultations at our office or at your Store.

4.3 Operations Manual

We will enable you to view the Operations Manual, via a password-protected Website. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically prescribe for operating a ~~Beef Jerky Experience~~ Store ("System Standards") and information on your other obligations under this Agreement. All such specifications, System Standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by us in the Operations Manual or otherwise communicated to you in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be kept confidential by you at all times during the term of this Agreement and after the termination or expiration thereof for any reason. You shall operate your Store strictly in accordance with this Agreement, the Operations Manual and all System Standards, as the Operations Manual and System Standards may be modified from time to time.

We may modify the Operations Manual periodically to reflect changes in System Standards, but these modifications shall not alter your fundamental rights or status under this Agreement. You agree to comply with all such modifications and to keep your copy of the Operations Manual current and in a secure location at the Store. If there is a dispute over the contents of the Operations Manual, the master copy of the Operations Manual at our office controls. You agree that the contents of the Operations Manual are confidential and that you will not disclose the Operations Manual to any person other than the Highly Trusted Individual, Store employees and/or independent contractors who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual.

4.4 Delegation of Performance

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

4.5 Franchisee Meetings

We reserve the right to hold franchisee meetings on a regional and/or national basis, and we may designate that attendance at the meeting is mandatory unless your absence is excused by us. We will designate the location and length of the franchisee meeting, but we will not select an unreasonably expensive location. We will charge a fee of up to $250 for a national conference and you must pay all expenses you and your attendees incur, including travel, lodging, meals and applicable wages.

ARTICLE 5
MARKS

5.1 Ownership and Goodwill of Marks

You acknowledge that the Marks are owned by us or our affiliates, and that any references to our right, title or interest in the Marks in this Article 5 shall include the owner's right, title or interest. You agree that your right to use the Marks is derived only from this Agreement and is limited to your operating the Store according to this Agreement and all System Standards we

prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Store under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we authorize you to use.

5.2 Limitations on Your Use of Marks

You agree to use the Marks as the sole trade identification of the Store, provided that you shall identify yourself as the independent owner of the Store in a manner acceptable to us. You may not use any Mark or any variation thereof (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or search engine you maintain on any website, except for any website we provide to you or as we may authorize; or (5) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of the Operating Assets or the Store without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Store and on forms, advertising and other materials we designate. You agree to give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3 Notification of Infringements and Claims

You agree to notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge or claim. We may take the action we deem appropriate (including no action) and may control exclusively any settlement, litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

5.4 Modification or Discontinuance of Marks

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Store's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

5.5 Indemnification for Use of Marks

We agree to reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided that you have timely notified us of the proceeding, have complied with this Agreement, and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark. If any action taken by us with respect to any such claim or proceeding results in any monetary recovery for you which exceeds your costs, then the amount of such recovery which exceeds your costs will first be used to reimburse us for our expenses in connection with such action, and any remainder will be distributed to you.

ARTICLE 6
CONFIDENTIAL AND GENERAL INFORMATION

6.1 Confidential Information

We and our affiliates possess (and will continue to develop and acquire) certain confidential information relating to the development and operation of ~~Beef Jerky Experience~~ Stores (the "Confidential Information"), which includes (without limitation):

6.1.1 methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating ~~Beef Jerky Experience~~ Stores (including, without limitation, the System Standards);

6.1.2 market research and promotional, marketing and advertising programs for ~~Beef Jerky Experience~~ Stores;

6.1.3 knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, materials, equipment and fixtures that ~~Beef Jerky Experience~~ Stores use;

6.1.4 knowledge of the operating results and financial performance of ~~Beef Jerky Experience~~ Stores other than your Store;

6.1.5 customer communication programs, along with data used or generated in connection with those programs;

6.1.6 the terms of this Agreement;

6.1.7 the Operations Manual; and

6.1.8 graphic designs and related intellectual property.

6.2 Restriction on Use of Confidential Information

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information in operating the Store during this Agreement's term and according to this Agreement's terms and conditions, and that

your use of any Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees and may violate certain laws. You further acknowledge and agree that the Confidential Information is proprietary, including our trade secrets, and is disclosed to you only on the condition that you, your Owners, Highly Trusted Individual, employees and/or independent contractors who have access to it agree, and they do agree, that you, your Owners, Highly Trusted Individual and such employees and/or independent contractors:

6.2.1 will not use any Confidential Information in any other business or capacity;

6.2.2 will keep the Confidential Information absolutely confidential during and after this Agreement's term;

6.2.3 will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

6.2.4 will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Store personnel and others needing to know such Confidential Information to operate the Store, and requiring all employees and independent contractors having access to Confidential Information to sign confidentiality and non-competition agreements in a form acceptable to us. We have the right to regulate the form of confidentiality and non-competition agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

All ideas, concepts, techniques or materials relating to a ~~Beef Jerky Experience~~ Store, whether or not protectable intellectual property and whether created by or for you or your employees and independent contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to sign whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the item.

"Confidential Information" does not include information, knowledge or know-how which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the Store. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

6.3 Customer List

You agree that the list of the names, addresses and other information regarding your current customers, former customers, and those who have inquired about the products and services offered at ~~Beef Jerky Experience~~ Stores (the "Customer List") shall be included in the Confidential Information. You agree that you may not disclose the Customer List, or any portion thereof, to any person other than us, either during the term of this Agreement or thereafter. You further agree

that a breach of this Section shall be grounds for immediate termination of this Agreement pursuant to Section 14.2.

ARTICLE 7
EXCLUSIVE RELATIONSHIP

You and your Owners acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You and your Owners therefore agree that, during this Agreement's term, neither you, nor any Owner, nor any member of your or an Owner's immediate family (i.e., parent, spouse, sibling or child) will:

(a) have any direct or indirect, controlling or non-controlling interest as an owner (whether of record, beneficial or otherwise) in a Competitive Business (defined below), wherever located or operating;

(b) perform services as a director, officer, manager, employee, consultant, representative or agent, or in any other capacity, for a Competitive Business, wherever located or operating;

(c) recruit or hire any employee or independent contractor of ours, our affiliates or our or their franchisees or licensees without obtaining our or the employer's prior written permission; or

(d) divert or attempt to divert any actual or potential business or customer of the Store to a Competitive Business.

The term "Competitive Business" means any business that offers the same or substantially similar products and services as those ~~offered and marketed by a Beef Jerky Experience Store~~we offer and market through our franchise system and our franchise owners, or any business which grants franchises or licenses to others to operate such a business, other than a ~~Beef Jerky Experience~~ Store operated under a franchise agreement with us. You and your Owners also agree that they will not, during the term of this Agreement, operate or otherwise become affiliated with any website involving, referring to, or in any way related to a Competitive Business.

ARTICLE 8
BUSINESS OPERATION AND SYSTEM STANDARDS

8.1 Condition and Appearance of the Store

You agree that you will not use the Store or any part of the Site for any business purpose other than operating a ~~Beef Jerky Experience~~ Store in compliance with this Agreement, and that you will place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You further agree to maintain the condition and appearance of the Store, its Operating Assets and the Site (including any parking area) in accordance with the System Standards and consistent with the image of a ~~Beef Jerky Experience~~ Store as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous

service. Therefore, you agree to take, without limitation, the following actions during this Agreement's term at your expense: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Site at intervals that we may prescribe; (b) interior and exterior repair of the Site as needed; and (c) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

To assure the continued success of the Store, you shall, upon our request, remodel and/or redecorate the Store premises, equipment (Computer System), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store to our then-current System-wide standards and specifications. We agree that we shall not request such remodeling and/or redecorating more frequently than every five (5) years during the term of this Agreement, except that if the Franchise is transferred pursuant to Article 12, we may request that the transferee remodel and/or redecorate the Store premises as described herein.

8.2 Products and Services the Store Offers

You agree that you (a) will offer and sell from the Store only the products and services that we periodically specify; (b) will not offer or sell at the Store, the Site or any other location any products or services we have not authorized; and (c) will discontinue selling and offering for sale any products or services that we at any time disapprove.

You understand and acknowledge that we may permit certain franchisees to deviate from our System Standards (such as by offering different products according to local and regional tastes and markets related to such franchisee's Store), and that nothing in this Agreement requires us to grant to you a like or similar variance or to permit you to deviate in any manner from the products and services that your Store must offer.

8.3 Approved Products, Services, and Suppliers

We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets and the products and services that we periodically authorize for use in the Store. During this Agreement's term you must purchase or lease all Operating Assets and other products and services for the Store only according to our standards and specifications and, if we require, only from suppliers or distributors that we designate or approve, (which may include or be limited to us and/or our affiliates ("Designated Vendors or "Approved Suppliers"). You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from payments made to us by suppliers that we designate or approve for some or all of our franchisees).

Upon our request, or if you want to use any Operating Assets or products that we have not yet evaluated or want to purchase any item from a supplier or distributor that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, reliability, financial capability, labor

relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent, certified laboratory which we designate for testing. Any cost imposed or charged by a third-party we choose for product testing or inspection shall be paid by Franchisee. ~~333We~~We reserve the right periodically to re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet our criteria. Any and all jerky or meat products must be produced and packaged in a USDA facility.

8.4 Compliance with Laws and Good Business Practices

You must secure and maintain in force throughout this Agreement's term all required licenses, permits and certificates, including, but not limited to, applicable licenses and certificates relating to the Store's operation, and operate the Store in full compliance with all applicable laws, ordinances and regulations. The Store must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business, or the goodwill associated with the Marks or other ~~Beef Jerky Experience~~ Stores.

You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, you shall endeavor to maintain high standards of quality and service in the operation of the Store. You shall at all times give prompt, courteous and efficient service to customers of the Store. If we deem that you did not fairly handle a customer complaint, we have the right to intervene and satisfy the customer and you agree to reimburse our costs related to our handling such complaint. We have the right to terminate this Agreement for violation of this Section.

You must notify us in writing within three (3) business days of: (a) the commencement of any action, suit or proceeding relating to the Store; (b) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to the Store (including, without limitation, the revocation or threatened revocation of any license, permit or certification applicable to the Store); (c) any notice of violation from a governing authority of any law, ordinance or regulation relating to the Store; and (d) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a customer or potential customer relating to the Store. You must immediately provide to us copies of any documentation you receive of events in (a) through (d) above. If we believe you are not adequately responding to or handling any event listed in (a) through (d), we reserve the right to require you to resolve the matter in a prompt and reasonable manner in accordance with good business practices, we may require you to participate in consultation, issue resolution and/or retraining to address such matters, and we may charge you for such ongoing guidance in accordance with Section 4.2 herein.

You and your Owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance,

you and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.

8.5 Insurance

You shall procure, at your sole expense from our approved insurance vendors and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting you, us, our respective officers, directors, partners and employees against any loss, liability, personal injury, death or property damage or expense whatsoever arising or occurring upon or in connection with the ~~Beef Jerky Experience~~ Store, as we may reasonably require for our own and your protection. We shall be named an additional insured in such policy or policies.

Such policy or policies shall be in accordance with standards and specifications set forth in the Operations Manual or otherwise in writing, and shall include, at a minimum (except as different coverage and policy limits may reasonably be specified for all franchisees from time to time by us in the Operations Manual or otherwise in writing), the following:

8.5.1 "all risk" property insurance coverage for assets of the Store;

8.5.2 workers' compensation insurance and employer liability coverage with a minimum limit of One Million Dollars ($1,000,000) or higher if your state law requires;

8.5.3 comprehensive general liability insurance with a minimum liability coverage of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, or higher if your state law requires;

8.5.4 business interruption insurance;

8.5.5 automobile liability insurance of at least One Million Dollars ($1,000,000) or higher if your state law requires for any vehicles used in the operation of your Store;

8.5.6 insurance coverage for contractual indemnity;

8.5.7 any insurance required by the terms of your lease agreement or mortgage for the Store; and

8.5.8 any other insurance we may require you to have.

Your insurance policies must be issued by an insurance company licensed to do business in the state where your Store is located, and which has an A.M. Best rating of A or higher. The

amounts required herein may be modified from time to time by us to reflect inflation or future experience with claims. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by us. Not later than two (2) weeks prior to commencement of operations of the Store, a Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by you to us for approval. Such certificate shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by you of the obligations under this Section 8 shall not relieve you of liability under the indemnity provision set forth in this Agreement. Minimum limits as required above may be modified from time to time, as conditions require, by written notice to you.

Should you, for any reason, not procure and maintain such insurance coverage as required by this Agreement, we shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance coverage and to charge same to you, which charges, together with a ten percent (10%) administrative fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice.

8.6 Compliance with System Standards

You acknowledge and agree that operating and maintaining the Store according to System Standards is essential to preserve the goodwill of the Marks and the goodwill of all ~~Beef Jerky Experience~~ Stores. Therefore, you agree at all times to operate and maintain the Store according to each and every System Standard, as we periodically modify and supplement them. System Standards may regulate any aspect of the Store's operation and maintenance, including but not limited to any one or more of the following:

8.6.1 sales, marketing, advertising and promotional programs and materials and media used in these programs;

8.6.2 staffing levels for the Store and employee and/or independent contractor's qualifications, training, dress and appearance (although you have sole responsibility and authority concerning staff selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions);

8.6.3 use and display of the Marks;

8.6.4 days and hours of operation, subject to applicable law and/or the terms of your lease;

8.6.5 methods of payment that you may accept from customers;

8.6.6 participation in market research and testing and product and service development programs;

8.6.7 bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance

and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchise (we will use reasonable efforts to keep such records confidential);

8.6.8 types, amounts, terms and conditions of insurance coverage required for the Store, including criteria for your insurance carriers; and

8.6.9 any other aspects of operating and maintaining the Store that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and ~~Beef Jerky Experience~~ Stores.

You agree that System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another form, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. Subject to your rights under Section 8.1 relating to alterations to the Store's appearance, layout and/or design and/or replacement of a material portion of your Operating Assets, you acknowledge that our periodic modification of the System Standards (including, without limitation, changes to the hardware and software required for the Computer System) may obligate you to invest additional capital in the Store and/or incur higher operating costs.

8.7 Pricing

With respect to the offer and sale of all products and services, we may from time-to-time offer guidance with respect to the selling price for such products and services or we may determine the minimum and/or maximum selling prices for such products and services, as permitted by applicable law, and you shall be bound to adhere to any such recommended or required pricing. If you elect to sell any or all of your products and services at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that offering such products and services at the recommended or required price will enhance your sales or profits. You shall not be permitted to charge lower prices on the internet than are being charged in your Store.

ARTICLE 9
ADVERTISING AND MARKETING

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

9.1 Participation in Advertising

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all ~~Beef Jerky Experience~~ Stores operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

9.2 Local Marketing

Although we do not require you to spend money for local advertising of your franchise, we encourage you to do so within your Designated Territory. To protect the integrity of Designated Territories granted to franchise owners, you may not directly or indirectly advertise, market or solicit customers outside of your Designated Territory, with exception of advertisements in mediums of general circulation such as newspapers, radio and television. You may not advertise via the internet or on social media without our prior written approval.

Your advertising promotion and marketing will be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. All of your advertising must also comply with any applicable laws or regulations. Before you use them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written approval within fifteen (15) days after we receive the materials, they are deemed to be disapproved. –You may not use any advertising, promotional or marketing materials that we have disapproved or that have not been approved by us within the previous twelve (12) months.– All proposed advertising materials submitted to us for review will become our property and there will be no limitation on our use or distribution of these materials. At our request you must include certain language in your Local Marketing materials, including "Franchises Available," our website address and telephone number. This language shall be included on a dedicated sign that you are required to purchase from our designated vendor.

9.3 Brand and Technology Fund

Recognizing the value of uniform marketing, advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right to establish, maintain and administer a Brand and Technology Fund (hereinafter referred to as the "Fund") for such national and regional advertising programs as we may deem necessary or appropriate, in our sole discretion, as follows:

9.3.1 We shall direct all national and regional marketing programs with sole discretion over the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof. You understand and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the System and the Marks for the benefit of all Beef Jerky Stores operating under the System, and that we undertake no obligation in administering the Fund to ensure that expenditures from the Fund are proportionate or equivalent to your contributions made for your Store, or that any particular Store or franchisee benefits directly or pro rata from the placement of any such advertising.

9.3.2 You agree that the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund shall be held in a non-interest bearing account

separate from our other funds, and shall not be used to defray any of our general operating expenses, except that we have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand and Technology Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any such Fee).

9.3.3 A statement of the operations of the Fund shall be prepared annually by our accountants and shall be made available to you on written request. The cost of the statement shall be paid by the Fund. We are not required to have any Fund statement audited, but if we choose to have the Fund audited it will be at the Fund's expense. Except as expressly provided in this Section 9.3, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Fund.

9.3.4 Each Store owned by us, or our affiliates shall make contributions to the Fund as are required to be contributed by franchisees generally within the System.

9.3.5 Any monies remaining in the Fund at the end of any year will carry over to the next year. Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising or promotional purposes or returned to contributing Stores or those operated by us, without interest, on the basis of their respective contributions.

9.3.6 If we elect to terminate the Fund, we may, in our sole discretion, reinstate the Fund at any time. If we so choose to reinstate the Fund, said reinstated Fund shall be operated as described herein.

9.4 Business Kickstarter Assets & Technology Fee

At the time of signing the Franchise Agreement you must also pay us ~~the sum of $5,000~~a fee ranging from $1,200 to $4,500 for your business kickstart assets. This ~~includes $1,100~~$_____ payable to us for technology ~~and~~ we will ~~remit to~~ Unifi the balance of ~~$3,900~~$_____ for your bookkeeping services during the initial ~~twelve (12~~six (6) months of operation of your franchise. We will hold these funds for you and remit payment to marketing vendors when they are due. If you do not open the franchise, we will refund any unused portion of this fee to you.

9.5 Websites

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and license to you for the benefit of your Store a separate website for your Store. We reserve the right to own the website and to specify the content, frequency and procedures you must follow. No changes, additions or modifications may be made to any website without our prior written approval. No use of our proprietary marks including but not limited to the name "Beef Jerky Experience" may be used on the internet without our prior written consent.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products and services available at ~~Beef Jerky Experience~~ Stores – also be devoted in part to offering Beef Jerky Experience franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done. Except as provided herein with respect to the URL we provide license to you, you may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Store; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates "the Beef Jerky Experience" name or any name confusingly similar to the Marks, without our prior written consent. If you participate in internet sales, your prices may not be less than that of prices you charge for products sold in your store. You are strictly prohibited from selling any products using any other internet presence, such as Amazon.com or eBay.

You are not permitted to promote your Store or use any of the Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System Standards regarding the use of social media in your Store's operation, including prohibitions on your and the Store's employees posting or blogging comments about the Store or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and Myspace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your website.

You agree to comply with our electronic commerce policies, as included in our Operations Manual and as such policies may be updated from time to time.

9.6 Owner Advisory Team

We reserve the right to establish an Owner Advisory Team ("OAT") comprised of franchisees and our representatives to work with us to improve various aspects of the System, including advertising conducted by the Fund, new products or services to be offered, and similar issues. Franchisee participants will be chosen by us or may be elected by other franchisees in the System. If you participate on an advisory council, you must pay all expenses you incur related to your participation, such as travel and living expenses to attend council meetings. If established, the advisory council will act in an advisory capacity only and will not have decision-making

authority. We have the right to establish, change, merge or dissolve any advisory council at any time.

ARTICLE 10
RECORDS, REPORTS AND FINANCIAL STATEMENTS

10.1 Records and Accounting.

During the term of this Agreement, you shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by us in the Operations Manual or otherwise in writing. You shall retain during the term of this Agreement, and for seven (7) years thereafter, all books and records related to the Store including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law. To ensure accurate and proper reporting to us of operational and financial information, you must use our approved or designated supplier or provider of accounting and bookkeeping services. If we permit, in our sole discretion, a different accounting or bookkeeping service you must report all financial information to us in a format, method or program that we have approved or designated. You shall have your federal and state tax returns prepared by an accountant of your choice without our approval.

10.2 Gross Sales Reports

You shall maintain an accurate record of Gross Sales and shall deliver to us via facsimile transmission, email, the intranet or another method required by us, a signed and verified statement of Gross Sales ("Gross Sales Report") for the week ending each Sunday in a form that we approve or provide in the Operations Manual. The Gross Sales Report for the preceding week must be provided to us by the close of business on Tuesday of each week.

10.3 Financial Statements

You shall supply to us, on or before the fifteenth (15^{th}) day of each month, in a form approved by us, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date. You shall, at your expense, submit to us within ninety (90) days after the end of each calendar year an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with GAAP applied on a consistent basis. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic reports in the manner and at the time specified in the Operations Manual or otherwise in writing. Any financial statement not provided within ten (10) days from when due shall be subject to a late fee of $50.

10.4 Other Reports

You shall submit to us copies of all state sales tax returns related to the Store that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Operations Manual. We shall have the right to release financial and operational information relating to the Store to our lenders or

prospective lenders and to disclose such information in our Franchise Disclosure Document. You shall certify as true and correct all reports to be submitted pursuant to this Agreement. To ensure accurate and proper reporting to us of operational and financial information, you agree to use an accounting firm or accounting service we choose to be our Designated Vendor. You are required to use such accounting firm or service for the reporting of financial information and preparation of your financial statements. You may, however, have your federal and state tax returns prepared by an accountant of your choice.

10.5 Access to Computer System

Notwithstanding your obligation to provide financial reports as described above, you understand and acknowledge that we shall have full access to your Computer System and all of the data and related information stored on such Computer System by means of direct access, either in person or by telephone, modem or Internet, to permit us to verify your compliance with your obligations under this Agreement.

10.6 Video/Computer Surveillance

We reserve the right to require you to purchase, install and use video and computer surveillance systems consisting of hardware, software and/or services in accordance with our specifications. We shall have full access to all of your video and computer surveillance systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit us to verify your compliance with your obligations under this Agreement. You shall provide to us any and all passwords or security codes required to access and view the video surveillance system over the Internet.

10.7 Right to Inspect

We or our designee has the right, during normal business hours, to examine, copy and audit your books, records and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay to us the amount of the underpayment plus interest as described in Section 3.6 above. If the audit or any other inspection should reveal that you have not spent two percent (2%) of your monthly Gross Sales on Local Marketing or if the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by the audit, you shall, in addition, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

10.8 Release of Records

At our request, you shall authorize and direct any third parties, including accounting and legal professionals, to release to us all accounting and financial records arising from or relating to the operation of the Store including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us.

ARTICLE 11
INSPECTIONS

To determine whether you and the Store are complying with this Agreement and all System Standards, we and our designated agents and representatives may at all times during normal business hours and without prior notice to you:

(a) inspect the Store;

(b) observe, photograph, and video record the Store's operation for consecutive or intermittent periods we deem necessary;

(c) interview the Store's personnel and customers; and

(d) inspect and copy any books, records and documents relating to the Store's operation.

You agree to cooperate with us and/or our agents fully. If we exercise any of these rights, we will use our best efforts not to interfere unreasonably with the Store's operation. You agree to present to your customers the evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by or for us.

ARTICLE 12
TRANSFER

12.1 By Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "The Beef Jerky ~~Experience~~Outlet Franchise, Inc." as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

12.2 By You

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your Owners and that we have granted you the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Accordingly, neither (i) this Agreement (nor any interest in this Agreement), nor (ii) any interest in the ownership of you, the Franchise, the Store (or any right to receive all or a portion of the Store's profits or losses), or all or substantially all of the Operating Assets, may be transferred without our prior written approval. A transfer of the Store's and the Operating Assets' ownership, possession or control may be made only with a transfer of this Agreement. Any transfer without our prior written approval is a breach of this Agreement and shall be void and of no effect. In this Agreement, the term "transfer" includes your voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

12.2.1 transfer of an interest in this Agreement, the Operating Assets or the Store (or any right to receive all or a portion of the Store's profits or losses) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law; or

12.2.2 if you die, transfer of an interest in this Agreement, the Operating Assets or the Store (or any right to receive all or a portion of the Store's profits or losses) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

12.2.3 pledge of this Agreement (to someone other than us) as security, foreclosure upon the Store, or your transfer, surrender or loss of the Store's possession, control or management; or

12.2.4 the transfer of shares, partnership or member interests, or other ownership interests of you; or

12.2.5 merger or consolidation or issuance of additional securities representing ownership interests; or

12.2.6 any sale of ownership interests carrying voting rights of you or any security convertible to voting ownership interests of you or any agreement granting the right to exercise or control the exercise of the voting rights of any holder of an ownership interest.

12.3 Conditions for Approval of Transfer

If you and your Owners are in full compliance with this Agreement, then, subject to the other provisions of this Section, we will not unreasonably withhold our approval of a transfer that meets all the requirements in this Section; provided, however, that if the transfer is of a minority ownership interest in you (and you retain a majority equity interest and voting control), Subsections 12.3.2, 12.3.5, 12.3.6, 12.3.7, 12.3.10 and 12.3.11 below shall not apply. Except as described in the previous sentence, all of the following conditions must be met before or concurrently with the effective date of the transfer:

12.3.1 the transferee and its owners shall meet our then applicable standards for a ~~Beef Jerky Experience~~ Store franchisee;

12.3.2 the transferee has sufficient business experience, aptitude and financial resources to operate the Store;

12.3.3 you have paid all required Royalty Fees and other amounts owed to us and our affiliates, have submitted all required reports and statements, and are not in violation of any provision of this Agreement or any other agreement with us or our affiliates;

12.3.4 the transferee does not operate, or have an ownership or other interest in or relationship with a Competitive Business or has fully divested all such ownership or other interest in such Competitive Business at least fourteen (14) days prior to transfer, and shall execute an affidavit undertaking to such effect;

12.3.5 the transferee satisfactorily completes our training program. The cost of providing our training program is included in the transfer fee described in Section 12.3.7 below; provided that the transferee shall pay all of its own expenses to attend such training program;

12.3.6 the transferee and any other persons designated by us sign our then-current form of franchise agreement and related documents, the provisions of which may differ materially from any and all of those contained in this Agreement and the term of which shall be for the remaining term of this Agreement at the time of transfer;

12.3.7 you or the transferee pays us, upon consummation of the transfer, our then current transfer fee, which, as of the date of this Agreement, is Ten Thousand Dollars ($10,000);

12.3.8 you and your transferring Owners sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, representatives, agents, successors and assigns;

12.3.9 we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Store;

12.3.10 if you finance any part of the purchase price, you agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the Store are subordinate to the transferee's obligation to pay Royalty Fees, Marketing Fees, and other amounts due to us and/or our affiliates, and otherwise to comply with this Agreement;

12.3.11 the landlord of the Store must consent in writing to the assignment of your lease to the transferee;

12.3.12 if the proposed transferee is acquiring a portion of the interest in the legal entity that is you, then the proposed transferee, and any owners of the proposed transferee, must execute our form of guaranty;

12.3.13 you agree for two (2) years beginning on the transfer's effective date, not to engage in any of the activities prescribed in Section 15.4 below; and

12.3.14 you will not directly or indirectly at any time or in any manner (except with respect to other Stores you own and operate pursuant to franchise agreements with us) identify yourself or any business as a current or former ~~Beef Jerky Experience~~ Store or as one of our franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of a ~~Beef Jerky Experience~~ Store in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the Store that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us, or we have made regarding the Store.

12.4 Transfer to a Wholly Owned or Controlled Entity or to a Family Member

If you are an individual or individuals and are in full compliance with this Agreement, then we shall not unreasonably withhold our approval of a transfer of this Agreement, the Franchise, and the Store, one (1) time only, to a corporation or comparable legal entity: (i) which conducts no business other than the Store, and (ii) in which the individual(s) originally purchasing the Franchise maintain control and own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests in the same proportional interest as originally owned. Shareholder certificates or other documents representing ownership interests of such legal entity must be endorsed with a legend in form approved by us reciting that the transfer of interests in you is subject to the restrictions of this Agreement. Such an assignment shall not relieve you of your obligations hereunder and your Owners shall execute the form of Guaranty and Assumption of Obligations attached hereto as Exhibit 3. You and our Owners shall remain jointly and severally liable to us for all obligations hereunder. A transfer to a legal entity pursuant to this Section 12.4 may occur one (1) time only without payment of the transfer fee. If the transfer of equity interest is to a family member (i.e., spouse, brother, sister, brother-in-law, sister-in –law, father, mother) that is acceptable to us as a franchisee, no transfer fee shall apply.

12.5 Transfer Upon Death or Disability

Upon your death or disability, your executor, administrator, conservator, guardian or other personal representative must appoint a manager for the Store who is acceptable to us within sixty (60) days and thereafter transfer your equity interest in this Agreement, the Operating Assets and the Store to a third party. That transfer (including, without limitation, transfer by bequest or inheritance) must occur within a reasonable time, not to exceed one hundred eighty (180) days from the date of death or disability and is subject to all of the terms and conditions in this Section. No transfer fee shall be charged if the equity interest is transferred to a family member. A failure to appoint such a manager or transfer your interest in this Agreement, the Operating Assets and the Store within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you from supervising the Store's management and operation for thirty (30) or more consecutive days.

12.6 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Store's operations which would cause harm to the Store, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Store, operate the Store for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Store during such period of operation by us shall be kept in a separate account, and the expenses of the Store, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Store franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

12.7 Effect of Consent to Transfer

Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Store's or transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the transferee's full compliance with this Agreement's terms or conditions.

12.8 Our Right of First Refusal

If you at any time determine to sell or transfer (1) an interest in this Agreement, (2) all or substantially all of the Operating Assets, or (3) the Store (including the right to receive your portion of the Store's profits or losses) – except to or among your Owners – you agree to obtain from a responsible and fully disclosed buyer, and send to us, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in this Agreement, the Operating Assets and the Store. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

We may, by delivering written notice to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) we will have not less than sixty (60) days to prepare for closing after notifying you of our election to purchase; and (4) we must receive, and you agree to make, all customary representations and warranties given by the seller of the assets of a business, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and validity of contracts and the liabilities, contingent or otherwise, relating to the assets being purchased. If we exercise our right of first refusal, you agree that, for two (2) years beginning on the closing date, you will be bound by the non-competition covenant contained in Section 15.4 below.

If we do not exercise our right of first refusal, you may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided in Sections

12.2 and 12.3 above. If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you must tell us promptly), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

12.9 Ownership Structure

If you are an entity, you represent and warrant that your ownership structure is as set forth on Exhibit 1 hereto and covenant that you will not vary from that ownership structure without our prior written approval.

ARTICLE 13
GRANT OF A RENEWAL FRANCHISE

13.1 Renewal

If you satisfy the requirements set forth below, you may renew for up to three (3) additional terms of five (5) years each.

13.1.1 You shall have been, throughout the initial term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this Agreement, your lease or sublease and all other agreements between you and companies, or persons associated or affiliated with us.

13.1.2 You shall, no later than six (6) months before the expiration of the initial term, or renewal term as applicable, provide written notice to us that you wish to renew this Agreement and we, in turn, shall provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Beef Jerky Experience franchises (all of which may contain terms, fees and conditions that may be materially different as from those in this Agreement. You will not be obligated to pay a further initial franchise fee, but you will be required to pay a renewal fee in an amount equal to Two Thousand Five Hundred Dollars ($2,500) (the "Renewal Franchise Documents").

13.1.3 You shall execute the Renewal Franchise Documents and all other documents and instruments that we require in order to renew this Agreement. You shall return the executed Renewal Franchise Documents to us, together with payment of our then-current renewal fee, by no later than the expiration date of the initial term. If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article 15 and any other provisions that survive termination or expiration of this Agreement.

13.1.4 After we have received from you all executed Renewal Franchise Documents and the renewal fee, we shall inspect your Store to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Store in order to bring the Store

up to our then-current image and standards for new ~~Beef Jerky Experience~~ Stores. We will provide notice to you of the modifications you shall be required to make, and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Renewal Franchise Documents.

13.2 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Store premises is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

13.3 Renewal Under Law

Even though we decline the renewal of your Franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the then-current Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

13.4 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the Renewal Franchise Documents required by us for a renewal franchise, together with payment of our then-current renewal fee, or if you provide written notice to us within the final ninety (90) days of the initial term indicating that you do not wish to renew this Agreement.

ARTICLE 14
TERMINATION OF AGREEMENT

14.1 Our Termination Rights – No Opportunity to Cure

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

14.1.1 you or any of your Owners have made or make a material misrepresentation or omission in acquiring the Franchise or operating the Store;

14.1.2 you fail to open the Store for business within the time frame required by Section 2.4;

14.1.3 you or your Highly Trusted Individual do not satisfactorily complete initial training;

14.1.4 you abandon or fail actively to operate the Store for five (5) or more consecutive business days without our prior approval, except for in the case of acts of God, war, terrorism and other situations which are beyond your control; provided, however, that your lack of financing shall not be deemed a situation beyond your control;

14.1.5 you or an Owner surrender or transfer control of the Store's operation without our prior written consent;

14.1.6 you or an Owner are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony or misdemeanor involving violence or moral turpitude;

14.1.7 you after receiving written notice from us, fail to maintain the insurance we require from time to time;

14.1.8 you interfere with our right to inspect the Store or observe its operation, as provided in Article 11 of this Agreement;

14.1.9 you or an Owner engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Store's reputation, the reputation of other ~~Beef Jerky Experience~~ Stores or the goodwill associated with the Marks;

14.1.10 you or an Owner make an unauthorized assignment or transfer of this Agreement, all or substantially all of the Operating Assets, the Store or the right to receive all or any part of the Store's profits or losses;

14.1.11 any material licenses, permits or certifications necessary for the Store's proper operation are revoked or not renewed;

14.1.12 you or an Owner make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

14.1.13 you fail to pay when due any federal, state or local income, service, sales or other taxes due on the Store's operation, unless you are in good faith contesting your liability for these taxes;

14.1.14 you (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us (or our affiliates), or otherwise to comply with this Agreement, whether or not you correct any of these failures after we deliver written notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not you correct either of the failures after we deliver written notice to you;

14.1.15 you, or any of your Owners shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or any of your Owners or such a petition is filed against and not opposed by you or such Owner; if you or any of your Owners is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets or any of your Owners or their business or assets is filed and consented to by you or such Owner; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, or the assets or property of any of your Owners, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you or any of your Owners; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you or any of your Owners is dissolved; if execution is levied against your or their business or property; if suit to foreclose any lien or mortgage against the Store premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Store shall be sold after levy thereupon by any sheriff, marshal, or constable;

14.1.16 you, your Owners or a member of your or your Owner's immediate family violates the restrictions of Article 7 (Exclusive Relationship) or any other non-compete agreement;

14.1.17 you cause or permit to exist a material default under the lease or sublease for the Site and fail to cure such default within the applicable cure period set forth in the lease or sublease;

14.1.18 you fail to pay us or our affiliates any amounts due and do not correct the failure within three (3) business days after we deliver written notice of that failure to you;

14.1.19 you or your Owners' assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if you or your Owners otherwise are in violation of any such law, ordinance or regulation, or any other law, ordinance or regulation applicable to a ~~Beef Jerky Experience~~ Store;

14.1.20 you fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

14.2 Our Termination Rights – Opportunity to Cure

This Agreement shall, at our option, terminate upon notice and your failure to cure within the specified time periods if you:

14.2.1 fail or refuse to make payments of any amounts due us for Royalty Fees or any other amounts due to us or our affiliates, and do not correct such failure or refusal within three (3) business days after written notice of such failure is delivered to you;

14.2.2 fail or refuse to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Operations Manual or otherwise in writing, and do not correct such failure within thirty (30) days or provide proof acceptable to us that you have made all reasonable efforts to correct such failure and shall continue to make all reasonable efforts to cure until a cure is effected; if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to you;

14.2.3 materially misuse or make an unauthorized use of any of the Marks or commit any other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks and do not correct the misuses or unauthorized use within thirty (30) days of receiving notice;

14.2.4 have any required license, permit or certification suspended and do not reinstate such license, permit or certification in good standing within thirty (30) days of receiving notice; or

14.2.5 receive an unreasonable amount of consumer complaints against your Store, or you fail to reimburse our costs related to handling a customer service complaint as described in Section 8.4 above.

14.3 Reinstatement and Extension

To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like, other than in accordance with applicable law, to the extent such are not in accordance with applicable law, we may reinstate or extend the term for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

14.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity, and we may pursue any rights and/or remedies available.

14.5 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 14, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach, if such breach may be cured under the terms of this Agreement.

14.6 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

ARTICLE 15
RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

15.1 Payment of Amounts Owed

You agree to pay, within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us or our affiliates, the Royalty Fee, Marketing Fee, late fees and all other amounts owed to us or our affiliates which then are unpaid.

15.2 De-Identification

When this Agreement expires or is terminated for any reason:

15.2.1 you shall not directly or indirectly at any time thereafter or in any manner (except in connection with other ~~Beef Jerky Experience~~ Stores you own and operate): (a) identify yourself or any business as a current or former ~~Beef Jerky Experience~~ Store or as one of our franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a ~~Beef Jerky Experience~~ Store in any manner or for any purpose; or (c) use for any purpose any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us.

15.2.2 you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

15.2.3 you agree to deliver to us within thirty (30) days all signs; advertising, marketing and promotional materials; forms; and other materials containing any Mark or otherwise identifying or relating to a ~~Beef Jerky Experience~~ Store that we request and allow us, without liability to you or third parties, to remove these items from the Store;

15.2.4 if we do not exercise an option to purchase the Store under Section 15.5 below, you agree promptly and at your own expense to make the alterations we specify in the Operations Manual (or otherwise) to de-identify the Store and to distinguish the Store clearly from its former appearance and from other ~~Beef Jerky Experience~~ Stores in order to prevent public confusion;

15.2.5 you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark, to authorize the transfer of these numbers and directory listings to us or at our direction, and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. As soon as you obtain any such numbers and listings, you shall sign our forms of Internet Websites and Listing Agreement and Telephone Listing Agreement, attached to this Agreement as Exhibit 4. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to affect these events; and

15.2.6 you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3 Confidential Information

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of Confidential Information in any business or otherwise and return to us all Confidential Information, including all copies of the Operations Manual, the Customer List, and any confidential materials that we have loaned you.

15.4 Covenant Not to Compete

Upon our termination of this Agreement according to its terms and conditions, upon transfer of this Agreement, or upon expiration of this Agreement without renewal, you agree that, for two (2) years beginning on the effective date of termination, closure of the franchise business, the effective date of transfer, the expiration date or the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4, neither you nor any Owner will have any direct or indirect interest (e.g. through a parent, spouse, sibling or child) or be a beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent in any Competitive Business (as defined in Article 7 above) within the Designated Territory and within twenty-five (25) miles of the former franchised Store location and any ~~Beef Jerky Outlet or Beef Jerky Experience~~ Store in the System, including those under Franchise Agreement but not yet built or open.

You and your Owners expressly acknowledge that you and they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. The Owners personally

bind themselves to this Article 15 by signing this Agreement and the attached Guaranty. We also may, in our sole discretion, require you to obtain from your officers, directors, managers, Owners' spouses, and other individuals that we may designate, in our reasonable discretion, executed agreements containing nondisclosure and noncompete covenants similar in substance to those contained in this Article 15 as we prescribe in the Manuals or otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

Restrictions Reasonable. You and your Owners acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Article 15 are reasonable and necessary for the protection of our legitimate business interests; (ii) you and your Owners have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship or the ability to make a living; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you or your Owners are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants.

Blue Pencil. To the extent that this Article 15 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You and your Owners agree that the existence of any claim you or your Owners may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Article 15. You and your Owners acknowledge that any breach or threatened breach of this Article 15 will cause us irreparable injury for which no adequate remedy at law is available, and you and your Owner's consent to the issuance of an injunction prohibiting any conduct violating the terms of this Article 15. Such injunctive relief will be in addition to any other remedies that we may have.

15.5 Our Right to Purchase Store

15.5.1 Exercise of Option. Upon our termination of this Agreement according to its terms and conditions or upon expiration of this Agreement without renewal, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration, to purchase all or any assets of the Store that we designate. We have the unrestricted right to assign this option to purchase. We are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise.

15.5.2 Purchase Price. The purchase price for the assets we choose to acquire will be their book value, provided that these items will not include any value for the Franchise, or any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, and other intellectual property or participation in the network of ~~Beef Jerky Experience~~ Stores. For purposes of determining the book value of all equipment (including the Computer System) used in operating the Store, the equipment's useful life shall be determined to be no more than three (3) years.

15.5.3 We (or our assignee) will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to exercise our purchase option. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Store's licenses and permits which may be assigned or transferred.

15.5.4 If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our respective shareholders, officers, directors, employees, agents, representatives, successors and assigns. If we exercise our rights under this Section 15.5, you agree that, for two (2) years beginning on the closing date, you will be bound by the non-competition covenant contained in Section 15.4 above.

15.6 Continuing Obligations

All of our and your obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

15.7 Damages for Loss of Bargain.

In addition to any other remedies available to us, if this Agreement is terminated before its expiration (other than termination by you for cause), we will be entitled to recover from you damages attributable to the loss of bargain resulting from that termination. The parties stipulate and agree that the damages for our loss of bargain will be the present value of the royalty fees that would have been payable to us for the lesser of: (i) the balance of the term of this Agreement if this Agreement had not been terminated; or (ii) 104 weeks. The parties agree that the total amount of royalty fees that would have been payable will be calculated utilizing annual Gross Sales equal to the average annual Gross Sales of the Franchise Business for the two-year period [or such lesser period if Franchisee was not in operation for a full two-year period] immediately preceding the date of termination. For the purposes of this Section, Gross Sales will be calculated based on Gross Sales reported by you or as actually determined by an audit of your business. If you have failed or refused to report Gross Sales for any part of your operation before termination, we may reasonably estimate those Gross Sales.

The parties acknowledge and agree that the actual damages that we would sustain if this Agreement is terminated before its expiration are incapable of calculation at the time of execution of this Agreement. The parties further acknowledge and agree that the damages set forth in this Section are a reasonable estimation of those damages.

ARTICLE 16
RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

16.1 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Store personnel and others as the Store's independent owner under a Franchise we have granted. You further agree to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials we require from time to time, including without limitation a conspicuously placed sign at the Store.

You acknowledge and agree that, except as otherwise provided in this Agreement, we do not have authority to exercise control over the means or manner in which you operate the Store. All Store operations with respect to employees and staff will be determined by you in your own judgment, subject only to legal requirements, the terms of this Agreement, and the standard, procedures and policies we prescribe for the preservation of the goodwill associated with the Marks. You shall maintain a competent and conscientious staff that have been trained in product preparation and general business operations in accordance with the procedures set forth in the Operations Manual, and who meet required governmental health and employment standards. You must take such steps as are necessary to ensure that your employees do not violate our policies relating to the use of any electronic medium, including, but not limited to, prohibiting employees from posting any information relating to us, the Franchise System, or the Marks without our prior written approval. You shall be solely responsible for all employment decisions related to your franchise and terms and conditions of employment of your employees, including, without limitation, those related to hiring, firing, remuneration, personnel policies, benefits, record keeping, supervision, safety, security, and discipline, and regardless of whether you received advice or recommendations from us or our affiliates on such subjects.

16.2 No Liability for Acts of Other Party

We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Store's operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, corporate or other taxes, whether levied upon you or the Store, due to the business you conduct (except any taxes we are required by law to collect from you for purchases from us, if we are an approved supplier). You are responsible for paying these taxes.

16.4 Indemnification

To the fullest extent permitted by law, you agree to indemnify, defend and hold harmless us, our affiliates, and our respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the "Indemnified Parties") from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of the Store's operation, the business you conduct under this Agreement, or your breach of this Agreement. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration or alternative dispute resolution, including travel and living expenses, regardless of whether litigation, arbitration or alternative dispute resolution is commenced.

Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. Additionally, an Indemnified Party may, at any time, settle any claim against it for which it is entitled to seek indemnity, and you shall reimburse the Indemnified Party for any amount that the Indemnified Party paid under the settlement terms. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you.

ARTICLE 17
MISCELLANEOUS PROVISIONS; DISPUTE RESOLUTION

17.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder,

or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

17.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of ours or yours to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other ~~Beef Jerky Experience~~ Stores; or our acceptance of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our respective obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause, except where you are found to have deliberately or by gross negligence been the direct or indirect cause of the calamity. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees, Marketing Fees or other payments due hereunder.

Notwithstanding the above, 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.

17.3 Injunctive Relief

Notwithstanding anything to the contrary contained in Section 17.6 of this Article, either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief. You agree that we may obtain temporary or preliminary injunctive relief without requiring the filing of a bond, and that your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

17.4 Rights of Parties are Cumulative

Our and your rights hereunder are cumulative and no exercises or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce.

17.5 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, and we are the prevailing party, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

17.6 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration in Tennessee under the authority of Tennessee statutes. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Tennessee statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Tennessee Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

17.7 Governing Law

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C.

Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of Tennessee, without regard for its conflicts of laws principles.

17.8 Jurisdiction

With respect to actions described in Section 17.3 above and any other actions not subject to arbitration under Section 17.6 above, you and we agree that any action arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a state or federal court of competent jurisdiction in Sevier County, Tennessee. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

17.9 Waiver of Punitive Damages

The parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute. The parties agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains.

17.10 Waiver of Jury Trial

Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

17.11 You May Not Withhold Payments

You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any Royalty Fees, Marketing Fees, amounts due to us for purchases by you or any other amounts due to us.

17.12 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual, this Agreement shall not be modified except by written agreement signed by you and us.

17.13 Limitations of Claims

Any and all claims, except claims for monies due us, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date you or we knew or should have known of the facts giving rise to such claims. The parties agree that that arbitration will be conducted on an individual, not a class-wide, basis, and that an arbitration proceeding between the parties, will not be consolidated with any other arbitration proceeding between them and any other person, corporation, limited liability company, partnership or other entity.

17.14 Entire Agreement; Construction

The preambles and exhibits are a part of this Agreement, which together with the Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. The term "Franchisee" as used herein is applicable to one or more persons, a corporate entity, as the case may be, and the singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, their obligations and liabilities to us shall be joint and several. References to "Franchisee" and "transferee" which are applicable to an individual or individuals shall mean all owners of the equity or operating control of Franchisee or the transferee. References to "controlling interest" in a corporate, limited liability or partnership Franchise shall mean greater than fifty percent (50%) of the equity or voting control of Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

17.15 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counterclaim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Your sole remedy for any such claim is to submit it to arbitration as described in this Agreement and for the arbitrator to order us to grant such consent.

17.16 Step-In Rights – Cause for Step-In

If we determine in our sole judgment that the operation of your Store is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Store which would cause harm to the System and thereby lessen its value, you authorize us to operate your Store for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Store if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Store; or we determine that operational problems require that we operate your Store for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Store as a going concern.

17.17 Step-In Rights – Duties of Parties

We shall keep in a separate account all monies generated by the operation of your Store, less the expenses of the Store, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation.

You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

17.18 Franchisor's Reasonable Business Judgment.

Whenever Franchisor reserves discretion on a particular area or where Franchisor agrees or is required to exercise its rights reasonable or in good faith, Franchisor will satisfy its obligations whenever it exercises "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither Franchisee nor any third party (including a trier of fact), will substitute their judgment for Franchisor's reasonable business judgment.

17.19 No Reliance.

You acknowledge that you are signing this Agreement upon your own volition and judgment and have entered into this Agreement without reliance on any statement or representation of the Franchisor or any person that is not contained in this Agreement or our Franchise Disclosure Document, verbal or written. You represent to us that no promise, inducement or agreement that is not expressed in this Agreement or our Franchise Disclosure Document has been made to you.

ARTICLE 18
NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

(a) at the time delivered by hand with confirmation receipt;

(b) respect to the Royalty Fees and other amounts due, at the time we actually debit your account (if we use an automatic debit program for the Store);

(c) with respect to materials that we post on our intranet or similar electronic site for franchisees, at the time such materials are first accessible at the site; or

(d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

(e) by email with proof of delivery.

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing and signed by the party giving the same. Addresses for notification are:

Us:	The Beef Jerky Outlet Franchise, Inc. P. O. Box 718 Easton, MD 21601 Attention: President Fax: (866) 876-3626
With a copy to:	David L. Steinberg, Esq. David L. Steinberg, P.C. 550 W. Merrill Street, Ste. 100 Birmingham, MI 48009 Fax: (248) 496-9544
You:	_____ _____ _____

Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change.

ARTICLE 19
SECURITY INTERESTS

19.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Store, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Store. All items in which a security interest is granted are referred to as the "Collateral."

19.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

19.2.1 All amounts due under this Agreement or otherwise by you;

19.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

19.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

19.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

19.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Store, including, but not limited to, a real property mortgage and equipment leases.

19.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

19.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

19.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Tennessee (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

19.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 20
ACKNOWLEDGMENTS

To induce us to sign this Agreement and grant you the Franchise, you acknowledge:

(a) That you have independently investigated the ~~Beef Jerky Experience~~ Store franchise opportunity and recognize that, like any other business, the nature of a ~~Beef Jerky Experience~~ Store may, and probably will, evolve and change over time.

(b) That an investment in a ~~Beef Jerky Experience~~ Store involves business risks, including but not limited to loss of initial franchise fee and other pre-payments if you do not timely meet obligations with respect to site selection and Store opening.

(c) That your business abilities and efforts are vital to your success.

(d) That retaining customers for your ~~Beef Jerky Experience~~ Store will require a high level of customer service and strict adherence to the System and the System Standards and that you are committed to maintaining the System Standards.

(e) That the persons signing this Agreement are all persons who have any ownership interest with respect to the Operating Assets, the Store or any of the Store's profits or losses.

(f) That in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are only between you and us.

(g) That you have represented to us, to induce us to enter into this Agreement, that all statements you have made and all materials you have given us in acquiring the Franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise.

(h) That you have read this Agreement and our Disclosure Document and understand and accept that the terms and covenants in this Agreement are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each ~~Beef Jerky Experience~~ Store, and to protect and preserve the goodwill of the Marks.

(i) That you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment was made to us or our affiliates.

ARTICLE 21
ANTI-TERRORISM LAW COMPLIANCE

FRANCHISEE AND ITS EQUITY OWNERS AGREE TO COMPLY WITH, AND TO ASSIST FRANCHISOR, TO THE FULLEST EXTENT POSSIBLE IN FRANCHISOR'S EFFORTS TO COMPLY WITH ANTI-TERRORISM LAWS OF THE UNITED STATES. IN CONNECTION WITH THAT COMPLIANCE, FRANCHISEE, AND ITS OWNERS CERTIFY, WARRANT AND REPRESENT THAT NONE OF FRANCHISEE'S, OR IT'S EQITY OWNER'S PROPERTY, OR INTERESTS, ARE SUBJECT TO BEING BLOCKED UNDER ANY ANTI-TERRORISM LAWS, AND THAT FRANCHISEE AND ITS OWNERS OTHERWISE ARE NOT IN VIOLATION OF ANY

ANTI-TERRORISM LAWS. "ANTI-TERRORISM LAWS" MEANS EXECUTIVE ORDER 1324 ISSUED BY THE PRESIDENT OF THE UNITED STATES, THE USA PATRIOT ACT, AND ALL OTHER PRESENT AND FUTURE FEDERAL, STATE AND LOCAL LAWS, ORDINANCES, REGULATIONS, POLICIES, LISTS AND OTHER REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY ADDRESSING OR IN ANY WAY RELATING TO TERRORIST ACTS AND ACTS OF WAR. FRANCHISEE SHALL IMMEDIATELY NOTIFY FRANCHISOR OF ANY MISREPRESENTATION OR BREACH OF THIS REQUIREMENT. FRANCHISOR MAY TERMINATE THIS AGREEMENT WITHOUT ANY OPPORTUNITY FOR FRANCHISEE TO CURE UNDER THIS AGREEMENT UPON ANY MISREPRESENTATION OR BREACH BY FRANCHISEE OF THIS SECTION 21.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

_____

By:_____
Name:_____
Title:_____

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:

THE BEEF JERKY OUTLET FRANCHISE, INC.
A Tennessee corporation

By:_____
Name:_____
Title:_____

EXHIBIT 1 TO THE FRANCHISE AGREEMENT
OWNER INFORMATION

1. Owners. List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in the Franchisee and describe the nature of the interest.

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

EXHIBIT 2 TO THE FRANCHISE AGREEMENT
SITE AND DESIGNATED TERRITORY

1. The Site of the Store will be located at:

2. The Designated Territory* shall be:

FRANCHISEE:	FRANCHISOR:
_____	THE BEEF JERKY OUTLET FRANCHISE, INC. A Tennessee corporation
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

*All references to "geographic boundary" in this Exhibit 2 shall mean the real property of the applicable mall or outlet as determined by the local governing authorities or the mall owner as referenced by geographical maps/drawings or tax parcel identifications as applicable.

EXHIBIT 3 TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____, by _____. In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by The Beef Jerky Outlet Franchise, Inc. ("the Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to the Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the provisions of Article 7 and Section 15.4.

Each of the undersigned consents and agrees that: (1) his/her direct and immediate liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by an extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisor arising as a result of the undersigned's execution of and performance under this guaranty.

If the Franchisor is required to enforce this guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If the Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this guaranty, the undersigned shall reimburse the Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on the same day and year as the Agreement was executed.

GUARANTOR(S):

_____

_____

_____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT
INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of _____(the "Effective Date"), by and between The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation (the "Franchisor"), and _____, a _____entity (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a ~~Beef Jerky Experience~~Franchise Store (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Store or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee

will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns

of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs, and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Tennessee, without regard to the application of Tennessee conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

THE BEEF JERKY OUTLET FRANCHISE, INC.: FRANCHISEE:_____

By:_____ By:_____
Name:_____ Name:_____
Title:_____ Title:_____

EXHIBIT 5 -TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of _____, (the "Effective Date"), by and between The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation (the "Franchisor"), and _____, a _____ entity (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a ~~Beef Jerky Experience~~franchise offered by Franchisor Store (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Store or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and

Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, acknowledging that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns

of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs, and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Tennessee, without regard to the application of Tennessee conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

THE BEEF JERKY OUTLET FRANCHISE, INC.: FRANCHISEE: _____

By:_____ By:_____
Name:_____ Name:_____
Title:_____ Title:_____

EXHIBIT 6 TO THE FRANCHISE AGREEMENT
MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Operator Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Operator Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Operator Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Multi-Unit Operator Agreement require binding arbitration. The arbitration will occur at Tennessee with the costs being borne equally by the parties. 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.

7. The Franchise Agreement and Multi-Unit Operator Agreement require application of the laws of Tennessee. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.~~thebeefjerkyoutlet~~beefjerkyx.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

12. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

> Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Operator Agreement.

2. Illinois law governs the Franchise Agreement and Multi-Unit Operator Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

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

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 (11) 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's designated territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for The Beef Jerky Outlet Franchise, Inc.'s Franchise Disclosure Document and for its Franchise and Multi-Unit Operator Agreements. The amendments to the Franchise and Multi-Unit Operator Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Reservation Agreement, Franchise Agreement and Multi-Unit Operator Agreement are amended to state that the general release required as a condition of refund, renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

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 BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

(a) A prohibition on the right of a franchisee to join an association of franchises.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to effectively amends and revises the Disclosure Document and Franchise Agreement and Multi-Unit Operator Agreement as follows:

1. Item 13 of the Disclosure Document and Article 5 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Articles 12 and 14 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are hereby amended accordingly.

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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise,

antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.),* which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 15 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 15 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement and which require jurisdiction of courts in Tennessee are deleted.

6. Item 17(w) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 18 of the Multi-Unit Operator Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages is contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Beef Jerky Outlet Franchise, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 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.

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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____

~~131001149v3~~

Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

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 event of a 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 those summarized in Item 17 of the ~~areas~~Franchise Disclosure Document, are subject to state law.

Site of ~~termination~~**Arbitration, Mediation, and** ~~renewal of your franchise.~~

~~2.~~3. **/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.

~~3.~~4. **General Release.** A release or waiver of rights ~~executed by a~~in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights~~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~~. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~, 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 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.~~6. **Transfer Fees.** Transfer fees are collectable only to the extent that they 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.

~~5.~~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). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

~~6.~~15. **Non-solicitation 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.

~~Section 16.4 of the Franchise Agreement is amended to provide as follows: "Franchisee has no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely~~
Questionnaires and ~~directly by the indemnified party's gross negligence, willful misconduct, strict liability, or fraud.~~

~~Section 17.19 regarding waiver of reliance does not in Washington and is stricken.~~

~~Articles 20(a), 20(b) 20(c) and 20(h) do not apply in Washington and are stricken.~~

~~7.~~16. **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.

17. **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).

18. **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. Franchisees who receive financial incentives from us with respect to referring franchise prospects, may be required to register as a franchise broker under the laws of Washington State.

19. **Acknowledgments.** Article 20 of the Franchise Agreement shall not apply in the State of Washington.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

~~IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.~~

~~THE BEEF JERKY OUTLET FRANCHISE, INC.~~

~~By: _____~~
~~Name: _____~~
~~Title: _____~~

FRANCHISEE:

By:_____
Name:_____
Title:_____

EXHIBIT 7

AMENDMENT TO FRANCHISE AGREEMENT – POP-UP LOCATION

THIS AMENDMENT TO FRANCHISE AGREEMENT ("Amendment") is entered into on _____, 20___, by and among The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation ("Franchisor") and _____ ("Franchisee"), with respect to the following:

RECITALS:

A. Franchisor and Franchisee previously entered into a Franchise Agreement dated _____ for the operation of retail ~~Beef Jerky Outlet~~ store located at _____ (the "Franchise Agreement"); and

B. Franchisee has expressed to Franchisor its desire to operate a POP-UP Location on a temporary, short term or seasonal basis; and

C. The Parties desire to amend the Franchise Agreement to include the right of Franchisee to operate a POP-UP Location at _____ pursuant to the provisions of the Franchise Agreement and this Amendment.

NOW, THEREFORE, in consideration of the granting of the franchise and the mutual promises and covenants contained herein, the parties agree as follows:

1. Franchisee is hereby authorized by Franchisor to operate the POP-UP Location pursuant to the following terms and conditions:

a. Operation of this POP-UP Location shall at all times be consistent with and subject to the terms, conditions and provisions of the Franchise Agreement and Operations Manual which are hereby incorporated by reference as though fully set forth herein.
b. The operation of a Beef Jerky ~~Outlet~~Experience franchise as a POP-UP Location shall be authorized only from _____ to _____ or seasons set forth by Exhibit A, not to exceed ~~ninety (90~~one hundred (100) consecutive days.
c. No additional initial franchise fee shall be charged. Royalty, advertising and all other payments due under the Franchise Agreement with respect to the POP-UP Location shall be paid at the times and in the manner set forth by the Franchise Agreement and shall be separately reported and made apart from payments made by any other ~~Beef Jerky Outlet~~ store owned or operated by Franchisee.
~~d. There will be a monthly fee of $119 from FRANPOS. This charge will be ACH from your checking account on file with FRANPOS.~~

d. Your POP-UP will be connected to an existing POS account from one of your existing permanent or flex/seasonal locations. There is a POP-UP hardware kit required for operations including an iPad purchased through BJE home office, a credit card reader, connection hub, and scanner.

e. Franchisee must submit each month to Franchisor and its designated accounting firm all financial information requested by Franchisor.

f. In the event Franchisee determines to relocate this POP-UP Location to a new location, Franchisee may do so provided Franchisee has the prior approval of such relocation from Franchisor.

2. Except as expressly amended, all terms and conditions of the Franchise Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the Franchise Agreement and this Amendment, the terms of this Amendment shall control.

3. This Amendment may be executed in counterparts, each of which shall be deemed an original. Counterpart signature pages may be assembled to form a single document.

This Amendment shall be effective as of the date first set forth above.

FRANCHISOR:
Beef Jerky Outlet Franchise, Inc.

By: _____

Its: ~~President~~

FRANCHISEE:

_____

By: _____

Its: _____

EXHIBIT A

SEASONS TO OPERATE A POP-UP LOCATION

NOT TO ~~-~~EXCEED ~~90~~100 CONSECUTIVE DAYS

1.

2.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

MULTI-UNIT OPERATOR AGREEMENT

THE BEEF JERKY OUTLET FRANCHISE, INC.

MULTI-UNIT OPERATOR AGREEMENT

MULTI-UNIT OPERATOR

DATE OF AGREEMENT

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A Certification by Multi-Unit Operator
B Guaranty
C Transfer of a Franchise to a Corporation or Limited Liability Company
D Minimum Performance Schedule
E Designated Area
F Multi-State Addendum

THE BEEF JERKY OUTLET FRANCHISE, INC.

MULTI-UNIT OPERATOR AGREEMENT

THIS MULTI-UNIT OPERATOR AGREEMENT ("Agreement") is made and entered into on _____, between The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation having its principal place of business at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 ("we," "us" or "our"), and _____ whose principal address is _____ (hereinafter "you" or "your").

W I T N E S S E T H:

WHEREAS, we and our affiliates have designed and developed a method of developing and operating (i) a business under the "Beef Jerky Experience" name which is a specialty retail food store that features an exceptional variety of jerky products, sausages and smoked meats, sauces, rubs, seasonings, marinades, jams, butters, jellies, peanuts, popcorn, candies, cheeses, and other similar foods. ~~The Beef Jerky Experience businesss~~ ("Store~~") operates~~" or "Stores") operate using proprietary methods, techniques, trade dress, trademarks and logos. ~~Beef Jerky Experience~~ Stores have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop and otherwise modify from time to time ("System");

WHEREAS, we and our affiliate have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating ~~Beef Jerky Experience~~ Stores, including the mark "Beef Jerky Experience~~",~~" which ~~have~~has gained public recognition and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating Stores (collectively, the "Marks" or "Proprietary Marks");

WHEREAS, we and our affiliates continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Stores operating under the Marks under the System within the Designated Area described in this Multi-Unit Operator Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Multi-Unit Operator Agreement, certain development rights ("Development Rights) to establish and operate ~~Beef Jerky Experience~~ Stores, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3

hereof, and pursuant to the schedule established in Exhibit "D" of this Agreement (hereinafter "Minimum Performance Schedule"). Each Store developed hereunder shall be granted a Designated Area of up to two (2) miles from the Store location described in Exhibit "E" of this Agreement (hereinafter "Designated Area"). The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Store to be developed hereunder.

1.2 Each Store for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Store in the Designated Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2
DEVELOPMENT FEE

In consideration of the development rights granted herein, you shall pay to us a Development Fee of _____ Thousand Dollars ($_____), which is calculated as Forty Nine Thousand Nine Hundred Dollars ($49,900), being one hundred percent (100%) of the initial franchise fee for the first Store to be developed hereunder, plus Two Thousand Five Hundred ($2,500) Dollars, being fifty percent (50%) of the reduced initial franchise fee (i.e. $5,000) , multiplied by the total number of additional Stores to be developed pursuant to this Agreement.

The Development Fee shall be fully earned by us upon execution of this Agreement, shall be non-refundable, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein.

SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Stores and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of such information and materials from you to approve

or disapprove the site in our sole discretion. If the site is approved, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof. Under no circumstances, however, may you open a Store for business unless and until there is a fully executed Franchise Agreement in place for such Store and you have complied with all requirements under the Franchise Agreement for opening such Store, including payment of the balance of the initial franchise fee.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Store at a site approved by us as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution, together with payment of the balance of the initial franchise fee due. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current ~~Beef Jerky Experience~~ Store Franchise Agreement, each of which may contain different terms and conditions than the previous Franchise Agreement based upon changes and evolution to our franchise system, including but not limited to royalties, advertising payments and other fees and costs. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies (together with the balance of the initial franchise fee due) within said ten (10) days from delivery thereof to you, our approval of the site shall be void, you shall have no rights with respect to said site and you shall be in default under this Agreement.

The initial franchise fee for the first Store to be developed hereunder is Forty-Nine Thousand Nine Hundred Dollars ($49,900) and the initial franchise fee for each additional Store to be developed hereunder is Five Thousand Dollars ($5,000). The initial franchise fee for the first Store has been paid in full in the Development Fee. For each additional Store developed hereunder, we will apply a *pro rata* portion of the Development Fee toward the initial franchise fee due for such Store. The balance of the initial franchise fee, or Two Thousand Five Hundred Dollars ($2,500), is payable to us in a lump sum upon execution of the Franchise Agreement for that Store.

3.4 You acknowledge that the approval of a particular site for a Store by us shall not be deemed to be an assurance or guaranty that the Store will operate successfully or at a profit from such site.

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2,

and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Stores within the Designated Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Stores within the Designated Area subject only to the territorial rights granted to you with respect to Stores operated by you pursuant to the Franchise Agreements and the right of first refusal described in Section 6 below.

4.4 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Stores, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to offer and sell and to grant others the right to offer and sell the products and services offered at Stores, both within and outside the Designated Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate;

4.4.2 to operate and to grant others the right to operate Stores located outside the Designated Area under any terms and conditions we deem appropriate and regardless of proximity to your Stores; and

4.4.3 to acquire and operate a business operating one or more similar stores located or operating in your Designated Area, but if one of these stores is located within your Designated Area, it will not operate using the Proprietary Marks.

SECTION 5
RENEWAL

This Agreement shall not be subject to renewal; however, if you wish to purchase and continue to develop Stores, we will, in good faith, negotiate a new Multi-Unit Operator Agreement with you.

SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Store is opened pursuant to the Minimum Performance Schedule.

6.2 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Stores in the Designated Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Stores upon such reasonable terms and conditions as

are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then-current Initial Franchise Fee upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Stores. You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights to all of such additional Stores. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Stores to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Stores.

SECTION 7
YOUR OBLIGATIONS

7.1 You acknowledge and agree that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Stores and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Stores within the Designated Area. You shall obtain the license to use such additional rights at each Store upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

(a) To continue to construct and operate other Stores and to use the System and the Marks at any location outside the Designated Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.1.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in your relationship with other persons, and in any documents, you shall clearly indicate the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a ~~Beef Jerky Experience~~ Store.

7.1.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us, and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9 In no event shall any Store be opened for business unless and until a Franchise Agreement for such Store has been fully executed, the initial franchise fee for such Store has been paid, and you have complied with all of the requirements under the Franchise Agreement for opening such Store.

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Provide you with standard specifications and layouts for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Stores as we make available to all multi-unit operators and franchisees from time to time.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit operators in our sole discretion.

SECTION 9
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to affect any assignment other than in accordance with Section 11 hereof.

9.1.3 Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Stores to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Multi-Unit Operator Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Store and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersede as* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Stores opened pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of services similar to those permitted to be sold by you under any Franchise Agreement or in any business which looks like, copies or imitates the Store or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

9.2.3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

9.2.4 If you shall begin work upon any Store at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Store for business before a Franchise Agreement for such Store has been fully executed and the initial franchise fee due to us has been paid.

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Stores.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit operator of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11
TRANSFER OF INTEREST

11.1 This Agreement is personal to you, and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement.

11.2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guaranties by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Stores pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Stores shall be held by the corporate entity or assignee corporate entity. –There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity. If the transfer of equity interest is to a family member (i.e., spouse, brother, sister, brother-in-law, sister-in –law, father, mother) that is acceptable to us as a franchisee, no transfer fee shall apply.

11.3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Exhibit "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer.– The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Operator Agreement with The Beef Jerky Outlet Franchise, Inc., dated _____. Reference is made to said Multi-Unit Operator Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."**

11.4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded, nor shall it be the subject of a private placement.

11.5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In such event no transfer fee shall apply. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 You have represented to us that you are entering into this Multi-Unit Operator Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Stores to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if you receive from an unaffiliated third party and desires to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material changes in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit operators and franchisees. Any assignment or transfer permitted by this Section 11 shall not be

effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9 Except as provided in Section 11.6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless the following conditions are met:

11.9.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.9.3 You are not in default hereunder.

11.9.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit operators, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Operator Agreement, Franchise Agreements for all Stores open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit operators on the date of transfer.

11.9.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7 You or transferee pay to us a transfer fee in an amount equal to Twenty Thousand Dollars ($20,000) to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this

Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "The Beef Jerky Outlet Franchise, Inc." as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12
COVENANTS

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Store to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by us or any of our affiliates or by any other franchisee, development agent or multi-unit operator of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business other than the Store (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Store, including a business which offers the same or substantially similar products and services (a "Competitive Business").

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within twenty-five (25) miles of any ~~Beef Jerky Experience~~ Store in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 12.

12.7 You acknowledge that any failure to comply with the requirements of this Section 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in

violation of the terms of this Section 12. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section 12 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

12.8.1 All managers of yours who have received training from us;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section 9 hereof.

12.9 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Store in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section 12 are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within ten (10) days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, overnight delivery service or facsimile to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Us: The Beef Jerky Outlet Franchise, Inc.
P. O. Box 718
Easton, MD 21601
Attention: President
Fax: (866) 876-3626

With a copy to: David L. Steinberg, Esq.
David L. Steinberg, P.C.
550 W. Merrill Street, Ste. 100
Birmingham, MI 480094

Notices to the Multi-Unit Operator: _____
_____
_____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION 14
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15
APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guaranties upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

Nothing set forth in the Franchise Disclosure Document shall waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in multiple copies, and each copy of the executed Agreement shall be deemed an original.

SECTION 18
ENTIRE AGREEMENT; APPLICABLE LAW

This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment changes or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of Tennessee, without regard to the application of Tennessee conflict of law rules, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the County of Sevier, Tennessee.

SECTION 19
DISPUTE RESOLUTION

19.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Tennessee under the authority of Tennessee Statutes. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Tennessee Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Tennessee Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit themselves to the jurisdiction of the state courts of Sevier County, Tennessee and the Federal District Court closest to our headquarters. –You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Tennessee or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be Sevier County, Tennessee; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction.

With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Tennessee law.

19.3 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.4 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.4 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

19.5 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

SECTION 20
TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Stores in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open in accordance with the Minimum Performance Schedule, to operate such Stores pursuant to the terms of the Franchise Agreements and to maintain all such Stores in operation continuously. We agree to diligently act upon any request for our approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION 21
ACKNOWLEDGMENTS

21.1 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATES.

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT OPERATOR:

By:_____
Name:_____
Title:_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "A"
CERTIFICATION BY MULTI-UNIT OPERATOR

The undersigned, personally and as an officer or partner of Multi-Unit Operator, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Operator Agreement and ~~Beef Jerky Experience~~ Store Franchise Agreement, and that the decision to execute the Multi-Unit Operator Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Operator Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Beef Jerky Experience" Stores. The undersigned further certifies that he understands the risks involved in this investment and that The Beef Jerky Experience Franchise, Inc. makes no representation or guaranty, explicit or implied, that the Multi-Unit Operator will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate on _____.

_____

_____

_____

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

_____

_____

_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "B"
GUARANTY

(TO BE EXECUTED ONLY IF MULTI-UNIT OPERATOR IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by The Beef Jerky ~~Experience~~Outlet Franchise, Inc. of the annexed Multi-Unit Operator Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Operator, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Operator Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Operator Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Operator Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Operator Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND PARTNERS, AS APPLICABLE

_____

_____

_____

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

_____

_____

_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "C"
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Operator Agreement between _____, an individual with an address at _____ ("Multi-Unit Operator"), and The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation headquartered at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 ("Franchisor").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Operator of the Stores under a Multi-Unit Operator Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operates set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Operator constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Operator Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Operator Agreement, agree as follows:

1. The undersigned Multi-Unit Operator shall remain personally liable in all respects under the Multi-Unit Operator Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Operator Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Multi-Unit Operator set forth in the Multi-Unit Operator Agreement and they jointly and severally personally guarantee all of the Multi-Unit Operator's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between _____ and The Beef Jerky Outlet Franchise, Inc."
>
> or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between and The Beef Jerky Outlet Franchise, Inc."

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Stores.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Operator Agreement executed on the date set forth below between Multi-Unit Operator and Franchisor, to the same extent as if it were named as the Multi-Unit Operator therein.

Date of Multi-Unit Operator Agreement: _____

As to Paragraph 3:

_____
[Name]

As to Paragraph 4:

_____
[Name]

_____
Name of Corp. or Limited Liability Company

By:_____
Title:_____

In consideration of the execution of the above Agreement, The Beef Jerky Outlet Franchise, Inc., hereby consents to the above referred to assignment on this _____ day of _____, 20__.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "D"
Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Operator to establish and operate _____ (___) "Beef Jerky Experience" Stores (as designated on the cover page of the Multi-Unit Operator Agreement) pursuant to a Franchise Agreement for each Store. The parties agree that a specific order of Store locations to be opened under this Performance Schedule and Exhibit E shall not be required, it being understood however that each of the Stores to be established by Developer must be open and operating by the specific time period set forth below applicable to such Store:

Store Number:	By This Date:
1	_____
2	_____

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final Store to be developed pursuant to this Agreement.

APPROVED:

MULTI-UNIT OPERATOR	THE BEEF JERKY OUTLET FRANCHISE, INC.
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "E"

Designated Areas for Store Locations

The following describes the cities, towns or communities within which Multi-Unit Operator may locate "Beef Jerky Experience" Stores (as applicable) to fulfill its development obligations under this Agreement:

_____

_____

_____

APPROVED:

MULTI-UNIT OPERATOR	THE BEEF JERKY OUTLET FRANCHISE, INC.
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

THE BEEF JERKY OUTLET FRANCHISE, INC.
MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT "F"
Multi-State Addendum

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Operator Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Operator Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Operator Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Multi-Unit Operator Agreement require binding arbitration. The arbitration will occur at Tennessee with the costs being borne equally by the parties. 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.

7. The Franchise Agreement and Multi-Unit Operator Agreement require application of the laws of Tennessee. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.~~thebeefjerkyoutlet~~beefjerkyx.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Multi-Unit Operator Agreement.

2. Illinois law governs the Multi-Unit Operator Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

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

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 (11) 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 BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for The Beef Jerky Outlet Franchise, Inc.'s Franchise Disclosure Document and for its Franchise and Multi-Unit Operator Agreements. The amendments to the Franchise and Multi-Unit Operator Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Reservation Agreement, Franchise Agreement and Multi-Unit Operator Agreement are amended to state that the general release required as a condition of refund, renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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 BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

(a) A prohibition on the right of a franchisee to join an association of franchises.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
~~Attn: Marilyn McEwen~~
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this __ day of _____, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Operator Agreement as follows:

1. Item 13 of the Disclosure Document and Article 5 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Articles 12 and 14 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are hereby amended accordingly.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or

misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.),* which describes the time period a Franchise

Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____
By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 15 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 15 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement and which require jurisdiction of courts in Tennessee are deleted.

6. Item 17(w) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 18 of the Multi-Unit Operator Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages is contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 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 of 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 BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Beef Jerky Outlet Franchise, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 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.

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 BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

~~131001149v3~~

WASHINGTON ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT, AND ALL RELATED AGREEMENTS

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 event of a 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 ~~including the areas of termination and renewal of your franchise.~~. Franchise agreement provisions, including 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~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights~~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).

~~4.~~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.

~~5.~~6. **Transfer Fees.** Transfer fees are collectable only to the extent that they 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.

~~6.~~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). ~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation).~~ In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

~~7.~~15. **Non-solicitation 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 Multi-Unit is amended to provide as follows: "Franchisee has no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely~~

Questionnaires and ~~directly by the indemnified party's gross negligence, willful misconduct, strict liability, or fraud.~~

~~Any section regarding waiver of reliance does not apply in Washington and is stricken.~~

16. **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.

17. **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).

18. **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. Franchisees who receive financial incentives from us with respect to referring franchise prospects, may be required to register as a franchise broker under the laws of Washington State.

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THE BEEF JERKY OUTLET FRANCHISE, INC.
BALANCE SHEET

	Period Ended 1/31/2025
ASSETS	
CURRENT ASSETS	
Cash	$ 1,712,641
Receivables	32,679
Contract asset	18,692
Refundable income taxes	-
Prepaid and other assets	3,622
Notes receivable - current portion	22,975
Total current assets	1,790,609
PROPERTY AND EQUIPMENT	
Furniture, fixtures, and equipment	128,158
Leasehold improvements	10,000
Machinery and equipment	611,298
Construction in progress	601,696
	1,351,152
Accumulated depreciation	(457,125)
Total net property and equipment	894,027
OTHER ASSETS	
Deposits	23,214
Contract asset, net of current portion	33,373
Notes receivable - long-term	5,200
Right-of-use assets	46,769
Total other assets	108,556
Total assets	$ 2,793,192
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	$ 39,759
Wages & Taxes payable	27,379
Taxes payable	7,500
Deferred revenue	100,039
Contract liability	76,179
Operating lease liability	15,972
Due to related parties	231,291
Other payables	134,568
Total current liabilities	632,687
LONG-TERM LIABILITIES	
Contract liability, net of current portion	100,377
Operating lease liability, net of current portion	32,432
Deferred tax liability	2,645
Total long-term liabilities	135,454
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY	
Common stock, no par value, 100,000 shares authorized 100,000 shares issued and outstanding	100,000
Paid in capital	-
Retained earnings	1,925,051
Total stockholders' equity	2,025,051
Total liabilities and stockholders' equity	$ 2,793,192

These Finanicals are prepared without an Audit. Prospective Franchisees are here advised that no Certified Public Accountant has Audited these figures or expressed an opinion as to the content or form

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF INCOME

	3 Months Ended 1/31/2025
REVENUE	
Franchise fee income	$ 89,393
Franchise royalty income	393,065
Brand and technology fund income	139,603
Other income	52,450
Total revenue	674,511
OPERATING EXPENSES	813,044
Income (loss) from operations	(138,533)
OTHER INCOME (EXPENSE)	
Other income	15,053
Interest income	7,399
Total other income, net	22,452
Income before taxes	(116,081)
INCOME TAXES	
Provision for income taxes	(1,914)
Net income (Loss)	$ (114,167)

These Finanicals are prepared without an Audit. Prospective Franchisees are here advised that no Certified Public Accountant has Audited these figures or expressed an opinion as to the content or form

THE BEEF JERKY OUTLET FRANCHISE, INC.
SCHEDULES OF OPERATING EXPENSES

	3 Months Ended 1/31/2025
OPERATING EXPENSES	
Accounting	$ 19,000
Advertising, marketing and promotion	1,425
Bank charge	304
Charitable contributions	4,330
Commission and fees	11,921
Communications: cell, telephone, internet	30
Computer and technology	8,780
Contract services	84,848
Depreciation expense	12,089
Dues and subscriptions	2,769
Employee benefits	44,064
Franchisee local marketing	67,513
Insurance - general liability	1,810
Insurance - workers compensation	770
Legal and professional	12,901
Meals and entertainment	252
Meetings and training	-
Office	1,517
Postage	789
Projects and initiatives	25,174
Rebranding initiative	-
Rent expense	7,824
Royalty/franchise fees	19,653
Support services - communication and marketing	59,073
Support services - information technology	29,373
Taxes - other	-
Travel	2,276
Wage related	394,559
Total operating expenses	$ 813,044

These Finanicals are prepared without an Audit. Prospective Franchisees are here advised that no Certified Public Accountant has Audited these figures or expressed an opinion as to the content or form

THE BEEF JERKY OUTLET FRANCHISE, INC.

FINANCIAL STATEMENTS

October 31, 2024, 2023 and 2022

THE BEEF JERKY OUTLET FRANCHISE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Beef Jerky Outlet Franchise, Inc.
Kodak, Tennessee

Opinion

We have audited the accompanying financial statements of The Beef Jerky Outlet Franchise, Inc. (a Tennessee corporation), which comprise the balance sheets as of October 31, 2024, 2023 and 2022, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 2024, 2023 and 2022 financial statements referred to above present fairly, in all material respects, the financial position of The Beef Jerky Outlet Franchise, Inc. as of October 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Beef Jerky Outlet Franchise, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, The Beef Jerky Outlet Franchise, Inc. adopted ASU 2016-13, "*Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*" on November 1, 2023.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Beef Jerky Outlet Franchise, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Beef Jerky Outlet Franchise Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Beef Jerky Outlet Franchise Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

UHY LLP

Salisbury, Maryland
February 1, 2025

THE BEEF JERKY OUTLET FRANCHISE, INC.
BALANCE SHEETS
October 31, 2024, 2023 and 2022

	2024	2023	2022
ASSETS			
CURRENT ASSETS			
Cash	**$ 1,798,108**	$ 1,956,547	$ 2,507,938
Receivables	**37,139**	35,893	70,852
Contract asset	**23,448**	42,470	59,941
Refundable income taxes	**-**	48,805	19,947
Prepaid and other assets	**5,101**	5,424	4,102
Notes receivable - current portion	**24,850**	26,975	20,100
Total current assets	**1,888,646**	2,116,114	2,682,880
PROPERTY AND EQUIPMENT			
Furniture, fixtures, and equipment	**128,158**	128,158	128,158
Leasehold improvements	**10,000**	10,000	10,000
Machinery and equipment	**611,298**	441,237	303,553
Construction in progress	**511,696**	323,214	-
	1,261,152	902,609	441,711
Accumulated depreciation	**(445,036)**	(396,681)	(371,300)
Total net property and equipment	**816,116**	505,928	70,411
OTHER ASSETS			
Deposits	**23,214**	22,285	23,335
Contract asset, net of current portion	**40,538**	69,201	112,996
Notes receivable - long-term	**11,225**	35,075	51,425
Right-of-use assets	**50,572**	65,780	-
Total other assets	**125,549**	192,341	187,756
Total assets	**$ 2,830,311**	$ 2,814,383	$ 2,941,047
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	**$ 48,289**	$ 47,660	$ 78,545
Wages payable	**61,925**	41,003	31,359
Taxes payable	**12,055**	-	-
Deferred revenue	**96,546**	76,874	56,334
Contract liability	**92,797**	149,271	202,182
Operating lease liability	**15,707**	14,645	-
Due to related parties	**42,917**	-	-
Other payables	**130,137**	164,500	185,078
Total current liabilities	**500,373**	493,953	553,498
LONG-TERM LIABILITIES			
Contract liability, net of current portion	**127,301**	234,999	388,053
Operating lease liability, net of current portion	**36,358**	52,065	-
Deferred tax liability	**27,061**	12,214	18,061
Total long-term liabilities	**190,720**	299,278	406,114
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY			
Common stock, no par value, 100,000 shares authorized			
100,000 shares issued and outstanding	**100,000**	100,000	100,000
Retained earnings	**2,039,218**	1,921,152	1,881,435
Total stockholders' equity	**2,139,218**	2,021,152	1,981,435
Total liabilities and stockholders' equity	**$ 2,830,311**	$ 2,814,383	$ 2,941,047

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF INCOME
Years Ended October 31, 2024, 2023 and 2022

	2024	2023	2022
REVENUE			
Franchise fee income	$ **199,671**	$ 205,866	$ 372,883
Franchise royalty income	**1,722,707**	2,013,637	2,316,197
Brand and technology fund income	**613,902**	720,441	832,131
Other income	**198,072**	235,639	262,212
Total revenue	**2,734,352**	3,175,583	3,783,423
OPERATING EXPENSES	**2,728,179**	3,269,400	3,514,277
Income (loss) from operations	**6,173**	(93,817)	269,146
OTHER INCOME (EXPENSE)			
Other income	**120,547**	124,826	109,826
Interest income	**37,188**	20,456	-
Total other income, net	**157,735**	145,282	109,826
Income before taxes	**163,908**	51,465	378,972
INCOME TAXES			
Provision for income taxes	**45,842**	11,748	98,611
Net income	$ **118,066**	$ 39,717	$ 280,361

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended October 31, 2024, 2023 and 2022

	Common Stock	Paid in Capital	Retained Earnings	Total Equity
BALANCES AT OCTOBER 31, 2021	$ 100,000	$ 200,000	$ 1,601,074	$ 1,901,074
Net income	-	-	280,361	280,361
Return of paid in capital	-	(200,000)	-	(200,000)
BALANCES AT OCTOBER 31, 2022	100,000	-	1,881,435	1,981,435
Net income	-	-	39,717	39,717
BALANCES AT OCTOBER 31, 2023	100,000	-	1,921,152	2,021,152
Net income	**-**	**-**	**118,066**	**118,066**
BALANCES AT OCTOBER 31, 2024	**$ 100,000**	**$ -**	**$ 2,039,218**	**$ 2,139,218**

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
Years Ended October 31, 2024, 2023 and 2022

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 118,066**	$ 39,717	$ 280,361
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	**48,355**	25,381	28,642
Deferred income taxes	**14,847**	(5,847)	(6,363)
Non-cash lease cost	**563**	930	-
Decrease (increase) in assets:			
Accounts receivable	**(1,246)**	34,959	(645)
Contract asset	**47,685**	61,266	63,778
Refundable income taxes	**48,805**	(28,858)	(19,947)
Prepaid and other assets	**323**	(1,322)	5,073
Increase (decrease) in liabilities:			
Accounts payable	**629**	(30,885)	(191,932)
Due to related parties	**42,917**	-	-
Wages payable	**20,922**	9,644	(137,512)
Taxes payable	**12,055**	-	(98,536)
Deferred revenues	**19,672**	20,540	26,025
Contract liability	**(164,172)**	(205,965)	(209,983)
Other payables	**(34,363)**	(20,578)	(12,499)
Net cash provided (used) by operating activities	**175,058**	(101,018)	(273,538)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Issuance of notes receivable	**(10,000)**	(15,000)	-
Purchases of property and equipment	**(358,543)**	(460,898)	-
Payments received on notes receivable	**35,975**	24,475	20,100
Decrease (increase) in deposits	**(929)**	1,050	(12,314)
Net cash provided (used) by investing activities	**(333,497)**	(450,373)	7,786
CASH FLOWS FROM FINANCING ACTIVITIES:			
Return of paid in capital to stockholders	**-**	-	(200,000)
Net cash used by financing activities	**-**	-	(200,000)
Net decrease in cash	**(158,439)**	(551,391)	(465,752)
Cash, beginning of year	**1,956,547**	2,507,938	2,973,690
Cash, end of year	**$ 1,798,108**	$ 1,956,547	$ 2,507,938
SUPPLEMENTAL CASH FLOW INFORMATION:			
Income taxes paid	**$ 16,900**	$ 46,453	$ 118,554

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024, 2023, and 2022

Note 1. The Company and Its Significant Accounting Policies

The Beef Jerky Outlet Franchise, Inc. (the "Company") was incorporated on March 5, 2010 and began operations that same year. The Company, headquartered in Kodak, Tennessee, is a franchisor of specialty retail food stores (all located in the United States) that offer a variety of beef jerky products and related items.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Significant accounting policies not disclosed elsewhere in the financial statements are as follows:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits. For purposes of the statement of cash flows, cash on deposit with financial institutions and all cash investments with original maturities of three months or less are considered to be cash and cash equivalents.

Accounts and Notes Receivable

Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances.

During 2021, the Company obtained a $100,000 promissory note from a franchisee to finance the purchase of an established franchise location. The Company obtained four additional promissory notes from franchisees, two during 2023 and two during 2024. The notes will be repaid over periods ranging from two to five years with no interest being charged. The balance on the notes at October 31, 2024, 2023 and 2022 was **$36,075**, $62,050 and $71,525, respectively.

Allowance for Credit Losses and Bad Debts

The Company uses the current expected credit loss (CECL) model to account for uncollectible accounts and notes receivable. The reserve for doubtful accounts is the best estimate of the amount of probable credit losses in the existing accounts and notes receivable and is determined based on lifetime expected credit losses and aging of account balances. Periodic evaluation of the adequacy of the reserve is based on historical write-offs combined with an evaluation of current conditions and reasonable and supportable forecasts including inactive accounts with outstanding balances, the aging of balances in payment agreements, adverse situations that may affect a customer's ability to pay, economic conditions, and other relevant factors applied to the current aging of receivables. This evaluation is inherently subjective. Unpaid balances remaining after 90 days are specifically reviewed by management and written off at that time if deemed uncollectible. Management has deemed all accounts and notes receivable to be collectible at October 31, 2024 , 2023 and 2022, therefore no allowance for credit losses has been established.

Note 1. The Company and Its Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed utilizing straight line and accelerated methods over the estimated useful lives of the assets. The estimated useful lives over which the furniture, fixtures, leasehold improvements, and equipment are being depreciated range from five to ten years. Depreciation expense was **$48,355**, $25,381 and $28,642 for the years ended October 31, 2024, 2023 and 2022, respectively.

Long-Lived Assets

The carrying value of long-lived assets and certain identifiable intangibles is reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition

The Company's revenue consists of fees from franchisees and preferred suppliers. Revenues from franchisees include initial fees as well as service fees and contributions for a brand and technology fund. Service fees and contributions for a brand and technology fund are based on a percent of sales. Revenues from preferred suppliers are based on a percentage of purchases by franchisees from those suppliers.

ASU 2014-09 provides that revenues are to be recognized when the control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. Service fees and contributions from franchisees for a brand and technology fund are based on a percent of sales and recognized at the time the underlying sales occur. Revenue from preferred suppliers occurs with the purchase of goods from designated preferred suppliers.

Initial frees from franchisees for new franchise openings and new franchise terms grant the franchisee the ability to operate under the Company brand and are recognized over the franchise term, which is generally five years.

Deferred Revenue

Deferred revenue of **$96,546**, $76,874 and $56,334 at October 31, 2024, 2023 and 2022, respectively includes amounts received for a special event to be held in the future.

Contract Assets and Liabilities

Contract liabilities represent initial franchisee fees which have been deferred and will be recognized as the Company satisfies performance obligations over the term of each contract. Contract assets represent costs in obtaining franchisee contracts that have been capitalized and will be recognized over the term of the contract.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses were **$7,591**, $11,733 and $25,765 for the years ended October 31, 2024, 2023 and 2022, respectively.

The Company also manages a brand and technology fund on behalf of its franchisees. Franchisees are assessed .5% to 2% of sales to fund this program. Brand and technology income of approximately **$614,000**, $720,000 and $832,000 at October 31, 2024, 2023 and 2022, respectively is reported as brand and technology fund income in the accompanying statement of income. Related disbursements of approximately **$579,000**, $801,000 and $857,000 at October 31, 2024, 2023 and 2022, respectively are reported in operating expenses in the accompanying statement of income.

Note 1. The Company and Its Significant Accounting Policies (continued)

Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Recently Adopted Accounting Guidance

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were accounts and notes receivable. The Company adopted the standard effective November 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Note 2. Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained in demand deposit accounts which, at times, may exceed federally insured limits. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. Exposure to credit risk is managed through credit approvals, credit limits, and monitoring procedures. At October 31, 2024, 2023 and 2022 the Company had no major concentrations of credit risk.

Note 3. Franchise Operations

The Company routinely franchises retail stores in markets throughout the United States. Franchisees bear all direct costs involved in the development, construction, and operations of their stores. The Company provides franchisees support for site selection, architectural plans, interior and exterior design and layout, training, marketing and sales techniques, and opening assistance. The current standard franchise agreement provides for payment to the Company of an initial franchise fee of $49,900 for the first store and $5,000 for each additional store. The Company offers qualified United States veterans 20% off the initial fee for the first store only. In addition, the current agreements require royalties of 6.0% of sales, except for stores owned by the stockholders. Franchise fees, included in franchise fee income in the statement of income, totaled **$199,671**, $205,866 and $372,883 for the years ended October 31, 2024, 2023 and 2022, respectively. The number of operating franchises as of October 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Operating franchises	75	87	95

There were no operating franchises added during the year ended October 31, 2024, three were added during the year ended October 31, 2023, and seven were added during the year ended October 31, 2022.

Note 4. Related Party Transactions

The Company has entered into franchise agreements with franchisees owned by its stockholders. As noted in Note 3, these franchisees do not pay the initial fee or royalties.

During November 2015, the Company entered into an agreement with an entity owned by the Company's shareholders to obtain the licensing rights to utilize specific proprietary assets. As part of the license agreement, the Company will pay 5% of gross franchise fees and franchise royalties to the entity. At October 31, 2024, 2023 and 2022 the related royalties were approximately **$87,000**, $102,000 and $123,000, respectively. Amounts due to the entity at October 31, 2024 totaled **$42,917**. There were no amounts due at October 31, 2023 and 2022.

Payments to a consulting firm owned by one of the Company's shareholders for consulting services totaled approximately **$28,000**, $243,000 and $304,000 for the years ending October 31, 2024, 2023 and 2022, respectively. These amounts are included in contract services on the supplementary schedules of operating expenses.

Note 5. – Lease Commitments

The Company adopted ASU 2016-02, Leases (Topic 842) ("ASC 2016-02"), on November 1, 2022, using a modified-retrospective approach, whereby comparative periods were not restated. No cumulative effect adjustment to the opening balance of retained earnings was required. The Company also elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things allowed the Company to carry forward the historical lease classifications. Additionally, the Company elected the hindsight practical expedient to determine the lease term for existing leases. Adoption of this standard resulted in the Company recognizing a right-of-use asset and a corresponding operating lease liability of $79,264.

The Company leases office space which is classified as an operating lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet and the related lease expense is recognized over the lease term. The Company elected to use the practical expedient to not recognize short-term leases on the balance sheet and instead account for them as executory contracts.

The Company uses a risk-free rate, 3.68%, that corresponds to the lease term as its incremental borrowing rate unless the lease provides an implicit rate.

Rent expense was **$30,919**, $33,691 and $47,249 for the years ended October 31, 2024, 2023 and 2022, respectively, which includes **$13,500** related to short-term leases for the year ended October 31, 2024.

Future minimum lease payments under the operating lease described above are as follows:

2025	$ 17,361
2026	17,881
2027	18,418
2028	1,538
2029	-
Thereafter	-
Total undiscounted cash flows	55,198
Less discount	3,133
Operating lease liabilities	$ 52,065

Note 6. Paycheck Protection Program Loan

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was signed into law during March 2020 in response to the COVID-19 crisis. The CARES Act established the Paycheck Protection Program (the "PPP"). The PPP was implemented by the Small Business Administration (the "SBA") and allowed approved SBA lenders to provide small businesses with loans to pay up to twenty-four weeks of payroll costs including benefits, interest on mortgages, rent and utilities. During April 2020, the Company applied for the PPP loan through Tennessee State Bank and received $245,386. The loan was forgiven during November 2021.

During December 2020, the Consolidated Appropriations Act which contains the Economic Aid Act was signed into law. The Economic Aid Act expanded the PPP to include second draw loans. During March 2021, the Company applied for the second round of PPP through Tennessee State Bank and received $245,386. At October 31, 2021, the Company believed the use of the loan proceeds fully met the conditions for forgiveness under the program. As such, the Company elected to account for the loan as a conditional grant. The Company recognized the earnings impact of $245,386 as other revenue in the accompanying statement of income as the eligible expenses as stipulated in the loan agreement had been paid. The loan was forgiven during February 2023.

The SBA has the right to audit whether a borrower qualified for a PPP loan and met the conditions of forgiveness of the loan for up to six years after forgiveness is received. The Company believes the risk of noncompliance is not significant.

Note 7. Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements, and consist of taxes currently due plus deferred taxes related to differences between financial and income tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

The principal temporary differences arise from the use of different methods for the recognition of depreciation of property and equipment for the financial statements and income tax purposes and the future benefits related to net operating losses carried forward to subsequent years. The net tax effect of these temporary differences is shown in the balance sheet as deferred income tax assets.

Under the provisions of the Financial Accounting Standards Board (FASB) ASC 740, Income Taxes, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company believes that it has appropriate support for income tax positions taken and to be taken on its tax returns, and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter, except as noted below.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has potential income tax exposure in states where tax returns have not been filed in previous years, should those states assert taxing jurisdiction over the Company. Based on previous experience with state taxing authorities, and widely used administrative practices in many states, management looked back to prior years in determining the liability for unpaid state taxes. After considering net operating loss carryforwards, no liability for state taxes has been reported.

The Company's income tax filings are subject to audit by the IRS and the various jurisdictions in the United States. The Company's open audit periods are years 2020 to 2022.

Note 7. Income Taxes (continued)

The components of the provision for income tax for the years ended October 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Current income taxes	**$ 30,786**	$ 17,595	$ 104,974
Deferred income taxes (benefit)	**15,056**	(5,847)	(6,363)
Income tax provision	**$ 45,842**	$ 11,748	$ 98,611

The components of net deferred income tax are as follows at October 31, 2024, 2023 and 2022:

Deferred tax assets:	**2024**	2023	2022
Noncurrent:			
Organizational costs	**$ 600**	$ 801	$ 1,302
Deferred tax liabilities:			
Noncurrent:			
Depreciation	**$ (27,661)**	$ (13,015)	$ (19,363)
Reflected in the balance sheet as a:			
Net noncurrent deferred tax asset (liability)	**$ (27,061)**	$ (12,214)	$ (18,061)

Generally accepted accounting principles require deferred income tax assets to be reduced by a valuation allowance, if it is not more-likely-than-not that some portion of the deferred tax assets will not be realized. No valuation allowance has been provided for the deferred tax asset as management believes that the amount will be fully utilized in future periods.

The primary difference in the effective tax rate compared to the statutory tax rate is related to permanent differences for nondeductible meals and entertainment expenses and conditional grant income related to the PPP loan which is not taxable (see also Note 6).

Note 8. Commitments and Contingencies

Legal Actions

The Company is a plaintiff in claims arising in the ordinary course of business. There is no impact reflected in the financial statements as a result of these claims at October 31, 2024.

Note 9. Management's Review

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 1, 2025, the date that the financial statements were available to be issued.

SUPPLEMENTARY FINANCIAL INFORMATION

THE BEEF JERKY OUTLET FRANCHISE, INC.
SCHEDULES OF OPERATING EXPENSES
Years Ended October 31, 2024, 2023 and 2022

	2024	2023	2022
OPERATING EXPENSES			
Accounting	**$ 22,500**	$ 22,000	$ 22,000
Advertising, marketing and promotion	**7,591**	11,733	25,765
Bank charge	**610**	620	650
Charitable contributions	**770**	398	417
Commission and fees	**50,185**	66,498	105,292
Communications: cell, telephone, internet	**120**	856	6,575
Computer and technology	**25,858**	16,882	24,676
Contract services	**402,777**	539,229	679,540
Depreciation expense	**48,355**	25,381	28,642
Dues and subscriptions	**14,806**	16,250	42,695
Employee benefits	**129,291**	133,256	141,505
Franchisee local marketing	**314,258**	589,736	307,636
Insurance - general liability	**8,522**	6,961	6,693
Insurance - workers compensation	**1,860**	2,748	2,638
Legal and professional	**29,506**	62,715	95,292
Meals and entertainment	**2,582**	698	2,579
Meetings and training	**306**	263	263
Office	**18,021**	9,438	4,293
Postage	**4,117**	7,864	2,909
Projects and initiatives	**131,767**	152,012	71,847
Rebranding initiative	**-**	855	141,869
Rent expense	**30,919**	33,691	47,249
Royalty/franchise fees	**86,635**	102,425	122,951
Support services - communication and marketing	**162,869**	164,550	292,389
Support services - information technology	**101,628**	45,699	115,051
Taxes - other	**41**	21	21
Travel	**10,275**	14,501	24,032
Wage related	**1,122,010**	1,242,120	1,198,808
Total operating expenses	**$ 2,728,179**	$ 3,269,400	$ 3,514,277

THE BEEF JERKY OUTLET FRANCHISE, INC.

FINANCIAL STATEMENTS

October 31, 2025, 2024 and 2023

THE BEEF JERKY OUTLET FRANCHISE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Beef Jerky Outlet Franchise, Inc.
Kodak, Tennessee

Opinion

We have audited the accompanying financial statements of The Beef Jerky Outlet Franchise, Inc. (a Tennessee corporation), which comprise the balance sheets as of October 31, 2025, 2024 and 2023, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 2025, 2024 and 2023 financial statements referred to above present fairly, in all material respects, the financial position of The Beef Jerky Outlet Franchise, Inc. as of October 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Beef Jerky Outlet Franchise, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Beef Jerky Outlet Franchise, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Beef Jerky Outlet Franchise Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Beef Jerky Outlet Franchise Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating expenses are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

UHY LLP

Salisbury, Maryland
February 1, 2026

THE BEEF JERKY OUTLET FRANCHISE, INC.
BALANCE SHEETS
October 31, 2025, 2024 and 2023

	2025	2024	2023
ASSETS			
CURRENT ASSETS			
Cash	**$ 1,485,720**	$ 1,798,108	$ 1,956,547
Receivables	**33,012**	37,139	35,893
Contract asset	**21,905**	23,448	42,470
Refundable income taxes	**24,800**	-	48,805
Prepaid and other assets	**7,159**	5,101	5,424
Notes receivable - current portion	**11,225**	24,850	26,975
Total current assets	**1,583,821**	1,888,646	2,116,114
PROPERTY AND EQUIPMENT			
Furniture and fixtures	**128,158**	128,158	128,158
Leasehold improvements	**10,000**	10,000	10,000
Machinery and equipment	**303,553**	303,553	303,553
Software	**747,282**	307,745	137,684
Construction in progress	**556,055**	511,696	323,214
	1,745,048	1,261,152	902,609
Accumulated depreciation	**(530,916)**	(445,036)	(396,681)
Total net property and equipment	**1,214,132**	816,116	505,928
OTHER ASSETS			
Deposits	**21,020**	23,214	22,285
Contract asset, net of current portion	**70,204**	40,538	69,201
Notes receivable - long-term	**-**	11,225	35,075
Right-of-use assets	**34,808**	50,572	65,780
Total other assets	**126,032**	125,549	192,341
Total assets	**$ 2,923,985**	$ 2,830,311	$ 2,814,383
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	**$ 30,066**	$ 48,289	$ 47,660
Wages payable	**73,883**	61,925	41,003
Taxes payable	**-**	12,055	-
Deferred revenue	**107,735**	96,546	76,874
Contract liability	**72,554**	92,797	149,271
Operating lease liability	**16,824**	15,707	14,645
Due to related parties	**-**	42,917	-
Other payables	**124,846**	130,137	164,500
Total current liabilities	**425,908**	500,373	493,953
LONG-TERM LIABILITIES			
Contract liability, net of current portion	**202,090**	127,301	234,999
Operating lease liability, net of current portion	**19,534**	36,358	52,065
Deferred tax liability	**70,451**	27,061	12,214
Total long-term liabilities	**292,075**	190,720	299,278
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY			
Common stock, no par value, 100,000 shares authorized 100,000 shares issued and outstanding	**100,000**	100,000	100,000
Retained earnings	**2,106,002**	2,039,218	1,921,152
Total stockholders' equity	**2,206,002**	2,139,218	2,021,152
Total liabilities and stockholders' equity	**$ 2,923,985**	$ 2,830,311	$ 2,814,383

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF INCOME
Years Ended October 31, 2025, 2024 and 2023

	2025	2024	2023
REVENUE			
Franchise fee income	**$ 101,104**	$ 199,671	$ 205,866
Franchise royalty income	**1,569,248**	1,722,707	2,013,637
Brand and technology fund income	**579,925**	613,902	720,441
Other income	**195,437**	198,072	235,639
Total revenue	**2,445,714**	2,734,352	3,175,583
OPERATING EXPENSES	**2,451,821**	2,728,179	3,269,400
Income (loss) from operations	**(6,107)**	6,173	(93,817)
OTHER INCOME (EXPENSE)			
Other income	**96,024**	120,547	124,826
Interest income	**24,345**	37,188	20,456
Total other income, net	**120,369**	157,735	145,282
Income before taxes	**114,262**	163,908	51,465
INCOME TAXES			
Provision for income taxes	**47,478**	45,842	11,748
Net income	**$ 66,784**	$ 118,066	$ 39,717

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended October 31, 2025, 2024 and 2023

	Common Stock	Paid in Capital	Retained Earnings	Total Equity
BALANCES AT OCTOBER 31, 2022	$ 100,000	$ -	$ 1,881,435	$ 1,981,435
Net income	-	-	39,717	39,717
BALANCES AT OCTOBER 31, 2023	100,000	-	1,921,152	2,021,152
Net income	-	-	118,066	118,066
BALANCES AT OCTOBER 31, 2024	100,000	-	2,039,218	2,139,218
Net income	**-**	**-**	**66,784**	**66,784**
BALANCES AT OCTOBER 31, 2025	**$ 100,000**	**$ -**	**$ 2,106,002**	**$ 2,206,002**

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
Years Ended October 31, 2025, 2024 and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 66,784**	$ 118,066	$ 39,717
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	**85,880**	48,355	25,381
Deferred income taxes	**43,390**	14,847	(5,847)
Non-cash lease cost	**57**	563	930
Decrease (increase) in assets:			
Accounts receivable	**4,127**	(1,246)	34,959
Contract asset	**(28,123)**	47,685	61,266
Refundable income taxes	**(24,800)**	48,805	(28,858)
Prepaid and other assets	**(2,058)**	323	(1,322)
Increase (decrease) in liabilities:			
Accounts payable	**(18,223)**	629	(30,885)
Due to related parties	**(42,917)**	42,917	-
Wages payable	**11,958**	20,922	9,644
Taxes payable	**(12,055)**	12,055	-
Deferred revenues	**11,189**	19,672	20,540
Contract liability	**54,546**	(164,172)	(205,965)
Other payables	**(5,291)**	(34,363)	(20,578)
Net cash provided (used) by operating activities	**144,464**	175,058	(101,018)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Issuance of notes receivable	**-**	(10,000)	(15,000)
Purchases of property and equipment	**(483,896)**	(358,543)	(460,898)
Payments received on notes receivable	**24,850**	35,975	24,475
Decrease (increase) in deposits	**2,194**	(929)	1,050
Net cash used by investing activities	**(456,852)**	(333,497)	(450,373)
Net decrease in cash	**(312,388)**	(158,439)	(551,391)
Cash, beginning of year	**1,798,108**	1,956,547	2,507,938
Cash, end of year	**$ 1,485,720**	$ 1,798,108	$ 1,956,547
SUPPLEMENTAL CASH FLOW INFORMATION:			
Income taxes paid	**$ 40,943**	$ 16,900	$ 46,453

The Notes to Financial Statements are an integral part of these financial statements.

THE BEEF JERKY OUTLET FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2025, 2024, and 2023

Note 1. The Company and Its Significant Accounting Policies

The Beef Jerky Outlet Franchise, Inc. (the "Company") was incorporated on March 5, 2010 and began operations that same year. The Company, headquartered in Kodak, Tennessee, is a franchisor of specialty retail food stores (all located in the United States) that offer a variety of beef jerky products and related items.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Significant accounting policies not disclosed elsewhere in the financial statements are as follows:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits. For purposes of the statement of cash flows, cash on deposit with financial institutions and all cash investments with original maturities of three months or less are considered to be cash and cash equivalents.

Accounts and Notes Receivable

Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances.

During 2021, the Company obtained a $100,000 promissory note from a franchisee to finance the purchase of an established franchise location. The Company obtained four additional promissory notes from franchisees, two during 2023 and two during 2024. The notes will be repaid over periods ranging from two to five years with no interest being charged. The balance on the notes at October 31, 2025, 2024 and 2023 was **$11,225**, $36,075 and $62,050, respectively.

Allowance for Credit Losses and Bad Debts

The Company uses the current expected credit loss (CECL) model to account for uncollectible accounts and notes receivable. The reserve for doubtful accounts is the best estimate of the amount of probable credit losses in the existing accounts and notes receivable and is determined based on lifetime expected credit losses and aging of account balances. Periodic evaluation of the adequacy of the reserve is based on historical write-offs combined with an evaluation of current conditions and reasonable and supportable forecasts including inactive accounts with outstanding balances, the aging of balances in payment agreements, adverse situations that may affect a customer's ability to pay, economic conditions, and other relevant factors applied to the current aging of receivables. This evaluation is inherently subjective. Unpaid balances remaining after 90 days are specifically reviewed by management and written off at that time if deemed uncollectible. Management has deemed all accounts and notes receivable to be collectible at October 31, 2025 , 2024 and 2023, therefore no allowance for credit losses has been established.

Note 1. The Company and Its Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed utilizing straight line and accelerated methods over the estimated useful lives of the assets. The estimated useful lives over which the furniture, fixtures, leasehold improvements, software and equipment are being depreciated range from five to ten years. Depreciation expense was **$85,880**, $48,355 and $25,381 for the years ended October 31, 2025, 2024 and 2023, respectively.

Long-Lived Assets

The carrying value of long-lived assets and certain identifiable intangibles is reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition

The Company's revenue consists of fees from franchisees and preferred suppliers. Revenues from franchisees include initial fees as well as service fees and contributions for a brand and technology fund. Service fees and contributions for a brand and technology fund are based on a percent of sales. Revenues from preferred suppliers are based on a percentage of purchases by franchisees from those suppliers.

ASU 2014-09 provides that revenues are to be recognized when the control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. Service fees and contributions from franchisees for a brand and technology fund are based on a percent of sales and recognized at the time the underlying sales occur. Revenue from preferred suppliers occurs with the purchase of goods from designated preferred suppliers.

Initial fees from franchisees for new franchise openings and new franchise terms grant the franchisee the ability to operate under the Company brand and are recognized over the franchise term, which is generally five years.

Deferred Revenue

Deferred revenue of **$107,735**, $96,546 and $76,874 at October 31, 2025, 2024 and 2023, respectively includes amounts received for a special event to be held in the future.

Contract Assets and Liabilities

Contract liabilities represent initial franchisee fees which have been deferred and will be recognized as the Company satisfies performance obligations over the term of each contract. Contract assets represent costs in obtaining franchisee contracts that have been capitalized and will be recognized over the term of the contract.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses were **$19,398**, $7,591 and $11,733 for the years ended October 31, 2025, 2024 and 2023, respectively.

The Company also manages a brand and technology fund on behalf of its franchisees. Franchisees are assessed .5% to 2% of sales to fund this program. Brand and technology income of approximately **$580,000**, $614,000 and $720,000 at October 31, 2025, 2024 and 2023, respectively is reported as brand and technology fund income in the accompanying statement of income. Related disbursements of approximately **$653,000**, $579,000 and $801,000 at October 31, 2025, 2024 and 2023, respectively are reported in operating expenses in the accompanying statement of income.

Note 1. The Company and Its Significant Accounting Policies (continued)

Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Recently Adopted Accounting Guidance

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were accounts and notes receivable. The Company adopted the standard effective November 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Note 2. Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained in demand deposit accounts which, at times, may exceed federally insured limits. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. Exposure to credit risk is managed through credit approvals, credit limits, and monitoring procedures. At October 31, 2025, 2024 and 2023 the Company had no major concentrations of credit risk.

Note 3. Franchise Operations

The Company routinely franchises retail stores in markets throughout the United States. Franchisees bear all direct costs involved in the development, construction, and operations of their stores. The Company provides franchisees support for site selection, architectural plans, interior and exterior design and layout, training, marketing and sales techniques, and opening assistance. The current standard franchise agreement provides for payment to the Company of an initial franchise fee of $49,900 for the first store and $5,000 for each additional store. The Company offers qualified United States veterans 20% off the initial fee for the first store only. In addition, the current agreements require royalties of 6.0% of sales, except for stores owned by the stockholders. Franchise fees, included in franchise fee income in the statement of income, totaled **$101,104**, $199,671 and $205,866 for the years ended October 31, 2025, 2024 and 2023, respectively. The number of operating franchises as of October 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Operating franchises	68	79	87

There were three operating franchises added during the year ended October 31, 2025, none were added during the year ended October 31, 2024, and three were added during the year ended October 31, 2023.

Note 4. Related Party Transactions

The Company has entered into franchise agreements with franchisees owned by its stockholders. As noted in Note 3, these franchisees do not pay the initial fee or royalties.

During November 2015, the Company entered into an agreement with an entity owned by the Company's shareholders to obtain the licensing rights to utilize specific proprietary assets. As part of the license agreement, the Company will pay 5% of gross franchise fees and franchise royalties to the entity. At October 31, 2025, 2024 and 2023 the related royalties were approximately **$78,000**, $87,000 and $102,000, respectively. Amounts due to the entity at October 31, 2024 totaled $42,917. There were no amounts due at October 31, 2025 or October 31, 2023.

On November 1, 2025, the Company entered into an operating agreement for a 66.67% membership interest in Peanut Butter Venture, LLC ("PBV"). Under the terms of the agreement, PBV products will be available for sale by the Company's franchisees. Related royalties collected by the Company on PBV product sales will be transferred to PBV less an agreed upon overhead rate.

Payments to a consulting firm owned by one of the Company's shareholders for consulting services totaled approximately $28,000 and $243,000 for the years ending October 31, 2024 and 2023, respectively. There were no payments made for the year ending October 31, 2025. These amounts are included in contract services on the supplementary schedules of operating expenses.

Note 5. – Lease Commitments

The Company adopted ASU 2016-02, Leases (Topic 842) ("ASC 2016-02"), on November 1, 2022 using a modified-retrospective approach, whereby comparative periods were not restated. No cumulative effect adjustment to the opening balance of retained earnings was required. The Company also elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things allowed the Company to carry forward the historical lease classifications. Additionally, the Company elected the hindsight practical expedient to determine the lease term for existing leases. Adoption of this standard resulted in the Company recognizing a right-of-use asset and a corresponding operating lease liability of $79,264.

The Company identifies a contract as a lease if the contract conveys the right to control the use of the identified property, plant or equipment (an identified asset) for greater than one year in exchange for consideration. The Company uses the interest rate that is implicit within the lease in determining its discount rate. For leases that do not have an implicit rate, the Company uses the incremental borrowing rate at that point in time. For purposes of allocation of lease and non-lease components in a contract, the Company does not consider maintenance services by the lessor as a lease component and they are expensed as incurred accordingly. Only the cost in obtaining the right to use the specified asset is considered in the calculation of the right-of-use asset and corresponding lease liability.

Leases with an initial term of 12 months or less are not recorded on the balance sheet and the related lease expense is recognized over the lease term. The Company elected to use the practical expedient to not recognize short-term leases on the balance sheet and instead account for them as executory contracts.

The Company leases office space which is classified as an operating lease. The Company uses a risk-free rate, 3.68%, that corresponds to the lease term as its incremental borrowing rate. The weighted average remaining lease term on the operating lease at October 31, 2025, 2024 and 2023 was 2.08, 3.08 and 4.08 years, respectively. The weighted average remaining discount rate at October 31, 2025, 2024 and 2023 was 3.68%

Rent expense was **$46,311**, $30,919 and $33,691 for the years ended October 31, 2025, 2024 and 2023, respectively, which includes **$13,500**, $13,500 and $16,397 related to short-term leases for the years ended October 31, 2025, 2024 and 2023, respectively.

Note 5. – Lease Commitments (continued)

Future minimum lease payments under the operating lease described above are as follows:

2026	$ 17,881
2027	18,418
2028	1,538
2029	-
2030	-
Thereafter	-
Total undiscounted cash flows	37,837
Less discount	1,479
Operating lease liabilities	$ 36,358

Note 6. Paycheck Protection Program Loan

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was signed into law during March 2020 in response to the COVID-19 crisis. The CARES Act established the Paycheck Protection Program (the "PPP"). The PPP was implemented by the Small Business Administration (the "SBA") and allowed approved SBA lenders to provide small businesses with loans to pay up to twenty-four weeks of payroll costs including benefits, interest on mortgages, rent and utilities. During April 2020, the Company applied for the PPP loan through Tennessee State Bank and received $245,386. The loan was forgiven during November 2021.

During December 2020, the Consolidated Appropriations Act which contains the Economic Aid Act was signed into law. The Economic Aid Act expanded the PPP to include second draw loans. During March 2021, the Company applied for the second round of PPP through Tennessee State Bank and received $245,386. The loan was forgiven during February 2023.

The SBA has the right to audit whether a borrower qualified for a PPP loan and met the conditions of forgiveness of the loan for up to six years after forgiveness is received. The Company believes the risk of noncompliance is not significant.

Note 7. Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements, and consist of taxes currently due plus deferred taxes related to differences between financial and income tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

The principal temporary differences arise from the use of different methods for the recognition of depreciation of property and equipment for the financial statements and income tax purposes and the future benefits related to net operating losses carried forward to subsequent years. The net tax effect of these temporary differences is shown in the balance sheet as deferred income tax assets.

Under the provisions of the Financial Accounting Standards Board (FASB) ASC 740, Income Taxes, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

Note 7. Income Taxes (continued)

The Company believes that it has appropriate support for income tax positions taken and to be taken on its tax returns, and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter, except as noted below.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has potential income tax exposure in states where tax returns have not been filed in previous years, should those states assert taxing jurisdiction over the Company. Based on previous experience with state taxing authorities, and widely used administrative practices in many states, management looked back to prior years in determining the liability for unpaid state taxes. After considering net operating loss carryforwards, no liability for state taxes has been reported.

The Company's income tax filings are subject to audit by the IRS and the various jurisdictions in the United States. The Company's open audit periods are years 2021 to 2023.

The components of the provision for income tax for the years ended October 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Current income taxes	**$ 4,088**	$ 30,786	$ 17,595
Deferred income taxes (benefit)	**43,390**	15,056	(5,847)
Income tax provision	**$ 47,478**	$ 45,842	$ 11,748

The components of net deferred income tax are as follows at October 31, 2025, 2024 and 2023:

Deferred tax assets:	**2025**	2024	2023
Noncurrent:			
Organizational costs	**$ 380**	$ 600	$ 801
Deferred tax liabilities:			
Noncurrent:			
Depreciation	**(70,831)**	(27,661)	(13,015)
Reflected in the balance sheet as a:			
Net noncurrent deferred tax asset (liability)	**$ (70,451)**	$ (27,061)	$ (12,214)

Generally accepted accounting principles require deferred income tax assets to be reduced by a valuation allowance, if it is not more-likely-than-not that some portion of the deferred tax assets will not be realized. No valuation allowance has been provided for the deferred tax asset as management believes that the amount will be fully utilized in future periods.

The primary difference in the effective tax rate compared to the statutory tax rate is related to permanent differences for nondeductible meals and entertainment expenses.

Note 8. Commitments and Contingencies

Legal Actions

The Company is a plaintiff in claims arising in the ordinary course of business. There is no impact reflected in the financial statements as a result of these claims at October 31, 2025.

Note 9. Management's Review

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 1, 2026, the date that the financial statements were available to be issued.

SUPPLEMENTARY FINANCIAL INFORMATION

THE BEEF JERKY OUTLET FRANCHISE, INC.
SCHEDULES OF OPERATING EXPENSES
Years Ended October 31, 2025, 2024 and 2023

	2025	2024	2023
OPERATING EXPENSES			
Accounting	**$ 23,000**	$ 22,500	$ 22,000
Advertising, marketing and promotion	**19,398**	7,591	11,733
Bank charge	**614**	610	620
Charitable contributions	**4,938**	770	398
Commission and fees	**26,355**	50,185	66,498
Communications: cell, telephone, internet	**120**	120	856
Computer and technology	**21,830**	25,858	16,882
Contract services	**350,356**	402,777	539,229
Depreciation expense	**85,880**	48,355	25,381
Dues and subscriptions	**15,435**	14,806	16,250
Employee benefits	**162,277**	129,291	133,256
Franchisee local marketing	**161,993**	314,258	589,736
Insurance - general liability	**7,474**	8,522	6,961
Insurance - workers compensation	**770**	1,860	2,748
Legal and professional	**60,752**	29,506	62,715
Meals and entertainment	**3,852**	2,582	698
Meetings and training	**-**	306	263
Office	**14,036**	18,021	9,438
Postage	**1,706**	4,117	7,864
Projects and initiatives	**126,156**	131,767	152,012
Rebranding initiative	**-**	-	855
Rent expense	**46,311**	30,919	33,691
Royalty/franchise fees	**78,462**	86,635	102,425
Support services - communication and marketing	**310,210**	162,869	164,550
Support services - information technology	**180,333**	101,628	45,699
Taxes - other	**21**	41	21
Travel	**24,323**	10,275	14,501
Wage related	**725,219**	1,122,010	1,242,120
Total operating expenses	**$ 2,451,821**	$ 2,728,179	$ 3,269,400

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISES, MULTI-UNIT OPERATORS, COMPANY OWNED AND AFFILIATE OWNED LOCATIONS

FRANCHISES

Account Name	Mailing Street	City	State	Zip Code	Phone Number
Clint Dollar & Dave Gardner*	2601 S. McKenzie Street, Suite 216	Foley	AL	36535	(251) 200-0052
Justin C. McClendon	231 Central Avenue, Suite A	Hot Springs	AR	71901	(501) 523-2727
Jesse & Kassondra Kosch	Sinagua Plaza, 320 N. State Route 89A, Suite S	Sedona	AZ	86336	(928) 282-8507
Betty Au Jo & Ronald D. Spangler*	485 Alisal Road, Suite 198	Solvang	CA	93463	(805) 697-7867
Ryan Oldham*	222 S. Main Street, Unit 1	Breckenridge	CO	80424	(970) 771-2061
Ryan Oldham*	935 Manitou Avenue, Unit A – Café'	Manitou Springs	CO	80829	(970) 368-6196
Ryan and Kimberly Oldham*	131 Virginia Drive	Estes Park	CO	80517	(970) 230-5845
Mark, Stephanie & Bradley Challis*	5050 Factory Shops Blvd., Suite 840	Castle Rock	CO	80108	(303) 349-9789
Michael Kinnally, Cory Leggiero and Tim Kinnally*	27 Coogan Boulevard, 2D	Stonington	CT	06355	(518) 785-1869
Jim Schroeder*	18949 Coastal Highway, Suite 106	Rehoboth Beach	DE	19971	(302) 200-7937
John Schemm*	4311 Legendary Dr., Suite D-113	Destin	FL	32540	(850) 460-2336
Scharlean Cooper*	820 Pier Park Dr., Suite 105	Panama City Beach	FL	32413	(850) 233-008
Mike Johnson*	5770 W. Irlo Bronson Memorial Hwy., Suite 319	Kissimmee	FL	34746	(407) 507-0258
Thomas C. Veitch & Kristie A. Veitch*	18 St. George Street, Suite A	St. Augustine	FL	32084	(904) 429-7864
Craig Eihl	158 129th Avenue West	Madeira Beach	FL	33708	(727) 800-5518

Account Name	Mailing Street	City	State	Zip Code	Phone Number
John Schemm*	5100 N. 9th Avenue, B203	Pensacola	FL	32504	(850) 439-5551
~~Mike Kinnally, Cory Leggiero and Tim Kinnally*~~	~~335 Duval Street, Units E~~	~~Key West~~	~~FL~~	~~33040~~	~~(305) 992-2316~~
~~John & Irena Jameson*~~	~~305 W. Saint Julian Street~~	~~Savannah~~	~~GA~~	~~31401~~	~~(912) 495-5287~~
Kenneth R. Kledzik	5 East Grand Avenue, Unit 1	Fox Lake	IL	60020	(847) 361-3125
Dave Pierce*	Lighthouse Place Premium Outlets, 127 Lighthouse Place	Michigan City	IN	46360	(219) 262-5330
Mark, Stephanie & Bradley Challis*	1703 Village West Parkway, Suite 108	Kansas City	KS	66111	(913) 258-8871
Martin Merriam*	6301 W. 135th Street, Suite B(b)	Kansas	KS	66223	(913) 239-0678
Tim & Stacie Russeau	The Outlets Shoppes of the Bluegrass, 1155 Buck Creek Road, Suite E-503	Simpsonville	KY	40067	(502) 742-0555
Anthony & Karen Lingis*	1550 Deep Creek Drive, Suite G	McHenry	MD	21541	(301) 328-2960
Brent S. & Lara R. Schafer	341 North Garden, Unit 341	Bloomington	MN	55425	(952) 854-9661
~~Mike Kinnally, Cory Leggiero and Tim Kinnally*~~	~~2005 W. State Highway 76, Suite 208~~ ~~Branson~~	~~MO~~ ~~65616~~	~~(417) 348-0022~~		
~~Mike Kinnally, Cory Leggiero and Tim Kinnally*~~Dee VanSchoick, Jr.*	105 East Main Street, Suite A Branson	MO 54516	(417) 320-6200		
~~Mike Kinnally, Cory Leggiero and Tim Kinnally*~~Dee VanSchoick, Jr.*	The Grand Village, 2800 W. 76 Country Blvd.~~.~~, Suite 526	Branson	MO	65616	(417) 348-0022
Dale L. Musgrave & Kalena M. Ochsner	13 North Broadway	Red Lodge	MT	59068	(406) 445-3107

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Account Name	Mailing Street	City	State	Zip Code	Phone Number
Eric & Katrina Hichman*	22 Fry Street	Bryson City	NC	28806	(828) 488-3114
Eric & Katrina Hichman*	1020 Tsalagi Road (Main Street)	Cherokee	NC	28719	(828) 242-0817
Kevin McCoy, Amy McDonnell & Vincent McDonnell*	Sea Dunes Shops, 3809 N. Croatan Highway, Suite E	Kitty Hawk	NC	27949	(252) 715-5800
Kevin McCoy, Amy McDonnell & Vincent McDonnell*	Timbuck II Shopping Center, 794-B Sunset Boulevard	Corolla	NC	27949	(252) 597-3398
Thomas C. Veitch & Kristie A. Veitch*	1208 Rt. 109, Suite B	Cape May	NJ	08204	(609) 600-2425
Randy Giandonato & Rick Kromer	Gloucester Premium Outlets, 100 Premium Outlets Drive, Suite #772	Blackwood	NJ	08012	(856) 290-8046
Jayme S. Mortman	1 American Dream Way (Beef Jerky Experience G114)	East Rutherford	NJ	07073	(865) 934-8000
~~Ralph J. Rimualdo*~~	~~The Outlets at Lake George, 1424 State Route 9, Space 8A~~	~~Lake George~~	~~NY~~	~~12845~~	~~(518) 409-4980~~
~~Ralph J. Rimualdo*~~	~~2439 Main Street, Suite 1~~	~~Lake Placid~~	~~NY~~	~~12946~~	~~(518) 302-5265~~
~~Michael Kinnally, Cory Leggiero and Tim Kinnally*~~	~~514 Broadway~~	~~Saratoga Springs~~	~~NY~~	~~12866~~	~~(518) 424-9012~~
John G. Schemm*	9657 Destiny USA Drive, Space J211	Syracuse	NY	13204	(315) 477-0734
Thomas & Donna Schankweiler*	1863 Gettysburg Village Drive, Unit 120	Gettysburg	PA	17325	(717) 398-2775
Thomas & Donna Schankweiler*	1 Chambersburg Street	Gettysburg	PA	17325	

Account Name	Mailing Street	City	State	Zip Code	Phone Number
John B. Nonnemacher	18 West Lightcap Road, Suite 0885	Pottstown	PA	19464	(610) 327-2847
Michael P. & Jennifer F. Merritt	The Outlets at Sands Bethlehem, 77 Sands Boulevard, Suite 109	Bethlehem	PA	18015	(610) 625-0609
Douglas W. & Cynthia M. Eby*	131 West Chocolate Avenue, Suite 122	Hershey	PA	17033	(717) 298-1023
Douglas W. & Cynthia M. Eby*	Hershey Tanger Outlets, 160 Outlet Square	Hershey	PA	17033	(717) 673-6588
Anthony & Karen Lingis*	Grove City Premium, 1911 Leesburg Grove City Road, Unit 105	Grove City	PA	16127	(724) 470-0077
Anthony & Karen Lingis*	2200 Tanger Boulevard, Suite 992	Washington	PA	15301	(724) 470-0077
Anthony & Karen Lingis*	Ohiopyle Stewart Community Center, 15 Sherman Street, Room #1 Ohiopyle	PA 15470			
Thomas Stewart*	The Crossings Premium Outlets, 1000 Premium Outlets Drive, Unit C03	Tannersville	PA	18372	(570) 620-3067
Steven & Dana Crane*	700 Haywood Road, Suite 2037	Greenville	SC	29607	(864) 509-6944
Brian Smith & Hope Smith*	4722-B Highway 17 South, Unit 94	Myrtle Beach	SC	29582	(843) 272-2348
Brian Smith & Hope Smith*	4630 Factory Stores Blvd., Suite #A125	Myrtle Beach	SC	29579	(843) 234-2333
Brian Smith & Hope Smith*	1118 Celebrity Circle, #318	Myrtle Beach	SC	29577	(843) 205-3224
Brian Smith & Hope Smith*	1306 Celebrity Circle, #163A	Myrtle Beach	SC	295l77	(843) 945-5055
Brian Smith & Hope Smith*	1414 Fording Island Road, Suite C125	Bluffton	SC	29910	(843) 757-7111
Mark L. Ostern & Connie J. Ostern*	596 Main Street	Deadwood	SD	57732	(605) 578-9976

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Account Name	Mailing Street	City	State	Zip Code	Phone Number
Mark L. Ostern & Connie J. Ostern*	219 Main Street	Hill City	SD	57745	(605) 574-2210
Mark L. Ostern & Connie J. Ostern*	804 Highway 16A, #9 Keystone	SD 57751			
Clint and Laura Hall*	2309 Strand Street, Suite 100	Galveston	TX	77550	(409) 974-4218
Steven & Vallerie Zettler*	140 East Exchange Ave., Suite 128	Ft. Worth	TX	76164	(817) 624-2902
Steven & Vallerie Zettler*	3000 Grapevine Mills Parkway, Suite 305	Grapevine	TX	76051	(817) 332-1223
Paul B. & Mary Jane Dobervich	8942 S. Broadway Avenue, Suite 132	Tyler	TX	75703	(903) 561-8822
Mark Delgado, Joanna Delgado & Tara Powers	PAK Plaza, 3812 Buffalo Gap Road Abilene	TX 79605	(865) 934-8000		
William J. Hunt & Kristi M. Hunt*	Bridgewater Water Plaza @ Smith Mountain Lake, 15430 Booker T. Washington Hwy., Unit #6	Moneta	VA	24121	(540) 912-0224
Tom Miller & Amy Hamilton*	8825 34th Avenue NE, Suite D Tulalip	WA 98271	(360) 716-2999		
Manny Raynal	5971 South 27th Street	Franklin	WI	53132	(414) 304-5992
Kenneth Kledzik*	270 Broad Street	Lake Geneva	WI	53147	(262) 203-5420
Dave Pierce*	Pleasant Prairie Premium Outlets, 11211 120th Avenue, Suite 74	Pleasant Prairie	WI	53158	(262) 288-6222
Kenneth R. Kledzik*	75 Gasser Road, Suite F	Baraboo	WI	53913	(608) 253-0410
John W. Stroud, Jr., William D. Kinder & Ryan Neal*Little General Store, Inc.	2004 Harper Road	Beckley	WV	25801	(304) 763-7090

*Denotes Multi-Unit Developer Franchisees

AFFILIATES

Account Name	Mailing Street	City	State	Zip Code	Phone Number
Paul Lyons	109 Cabela Blvd. East	Dundee	MI	48131	(734) 529-3000
Scott Parker	3609 Outdoor Sportsman's Place, Suite 2	Kodak	TN	37764	(865) 932-4333
Scott Parker	1645 Parkway, Suite 1430	Sevierville	TN	37862	(865) 774-3441
Scott Parker	636 Parkway, Unit 3	Gatlinburg	TN	37738	(865) 277-9019
Scott and Bruce Parker	131 The Island Dr., Suite 9138-B	Pigeon Forge	TN	37863	(865) 365-17980

LIST OF FRANCHISEES FOR WHOM FRANCHISE AGREEMENTS WERE SIGNED BUT STORE NOT OPENED AS OF FISCAL YEAR END OCTOBER 31, 20242025

Account Name	Mailing Street		City		State	Zip Code	Phone Number
Russell J. Pfannenstiel~~Thomas C. & Kristie A. Veitch~~	3701 Vine~~18 St. George~~ Street~~, Suite A~~		~~St. Augustine~~ Hays		~~FL~~KS	67601~~32084~~	(785) 625-7757
Dale Musgrave	1191 Sheridan Avenue	Cody	WY	82414	(307) 586-3772		

LICENSEE STORES

Account Name	Mailing Street	City	State	Zip Code	Phone Number
n/a					

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EXHIBIT F TO THE DISCLOSURE DOCUMENT

FRANCHISEES AND MULTI-UNIT OPERATORS WHO WERE TERMINATED, CANCELLED, NOT RENEWED, TRANSFERRED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS
DURING PAST FISCAL YEAR

Account Name	Mailing Street	City	State	Zip Code	Phone Number
Mike Kinnally, Cory Leggiero and Tim Kinnally*~~Don & Lupe Jones~~	~~1741 Palm Beach Lakes Blvd, E219~~335 Duval Street, Units E	Key West~~ Palm Beach~~	FL	~~3340~~33040	~~(561) 619-6264~~(305) 992-2316
~~Richard & Lori Lemoine~~	~~660 Boardwalk Blvd.~~	~~Bossier City~~	~~LA~~	~~71111~~	~~(318) 459-7801~~
~~William J. & Kristi M. Hunt~~	~~525 Route 28~~	~~West Yarmouth~~	~~MA~~	~~02673~~	~~(774) 470-6542~~
~~Doug & Rick Young~~	~~7000 Arundel Mills, Cir., Unit 336~~	~~Hanover~~	~~MD~~	~~21076~~	~~(410) 904-5901~~
~~Randy Giandonato & Rick Kromer~~	~~9 North Christopher Columbus Blvd~~	~~Atlantic City~~	~~NJ~~	~~08401~~	~~(609) 246-6221~~
~~Randy Giandonato & Rick Kromer~~	~~Jersey Shores Premium Outlets, 1 Premium Outlet Blvd., Unit 279~~	~~Tinton Falls~~	~~NJ~~	~~07753~~	~~(732) 493-5109~~
~~Dan Walls~~	~~Cincinnati Premium Outlets, 837 Premium Outlets Drive~~	~~Monroe~~	~~OH~~	~~45050~~	~~(513) 539-4575~~
~~Doug & Rick Young~~John & Irena Jameson*	~~57 18th~~305 W. Saint Julian Street	~~Pittsburgh~~Savannah	~~PA~~GA	~~1522~~31401	~~(412) 440-3136~~(912) 495-5287
~~Doug & Rick Young~~	~~1000 Ross Park Mall Drive, Room N09A~~	~~Pittsburgh~~	~~PA~~	~~15237~~	~~(412) 445-5745~~
~~Chris & Jennifer White~~Michael Kinnally, Cory Leggiero and Tim Kinnally*	2005 W. State Highway 76, Suite 208~~Norfolk Premium Outlets, 1600 Premium Outlet Blvd., Suite 608~~	Branson~~Norfolk~~	VA~~MO~~	~~2350~~65616	~~(757) 297-1853~~

Michael Kinnally, Cory Leggiero and Tim Kinnally*	105 East Main Street, Suite A	Branson	MO	65616	
Michael Kinnally, Cory Leggiero and Tim Kinnally*	The Grand Village, 2800 W. 76 Country Blvd., Suite 526	Branson	MO	65616	
Ralph J. Rimualdo*	The Outlets at Lake George, 1424 State Route 9, Space 8A	Lake George	NY	12845	(518) 409-4980
Ralph J. Rimualdo*	2439 Main Street, Suite 1	Lake Placid	NY	12946	(518) 302-5265
Michael Kinnally, Cory Leggiero and Tim Kinnally*	514 Broadway	Saratoga Springs	NY	12866	(518) 424-9012
Brian Smith*	85 S. Market Street, Suite A	Charleston	SC	29401	
Mark Delgado, Joanna Delgado & Tara Powers	PAK Plaza, 3812 Buffalo Gap Road	Abilene	TX	79605	(865) 934-8000
Clint and Laura Hall	14215 FM 2920, #101	Tomball	TX	77377	
Steve Zettler	2600 West 7th , Suite 104	Ft. Worth	TX	76107	
John W. Stroud, Jr., William D. Kinder & Ryan Neal*	2004 Harper Road	Beckley	WV	25801	(304) 763-7090
Tom Miller & Amy Hamilton*	8825 34th Avenue NE, Suite D	Tulalip	WA	98271	(360) 716-2999

- NOTE: *Denotes multi-owners. All owners above have left the system in 2025 except for Michael Kinnally. **Denotes the location known as Downtown Branson was a transfer.

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EXHIBIT H TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT*

DO NOT SIGN THIS ACKNOWLEDGEMENT STATEMENT IF YOU ARE A RESIDENT OF MARYLAND, WASHINGTON OR ~~YOUDR~~YOUR BUSINESS IS TO BE OPERATED IN MARYLAND OR WASHINGTON.

As you know, The Beef Jerky Outlet Franchise, Inc. (the "Franchisor") and you are preparing to enter into a Franchise Agreement and/or multi-unit Operator Agreement (the "Agreements") for the establishment and operation of a Beef Jerky Experience Store as applicable (the "Store"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Store from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into a Franchise Agreement in connection with a purchase or transfer of an existing Store from an existing Franchisee?

_____

2. Did you receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement?

_____

3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

_____

If No, do you wish to have more time to do so?

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4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning your franchise business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

5. Has any anyone made any statement or promise concerning the actual or potential revenues, profits, operating costs, or success that you should achieve in the operation of your franchise?

Please explain: _____

6. Have you spoken to any other franchise(s) of this system before deciding to purchase this franchise? If so, who? _____

I signed the Agreements and Addendum (if any) on _____ and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

7. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

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.

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Acknowledged this _____.

Sign here if you are taking the franchise as a

INDIVIDUAL

_____
Signature

Print Name_____

_____
Signature

Print Name_____

_____
Signature

Print Name_____

_____
Signature

Print Name_____

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____
Print Name of Legal Entity

By:_____
Signature

Print Name_____

Title_____

*Execution of this Acknowledgment Statement does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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EXHIBIT I TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE AGREEMENT*

THIS AGREEMENT ("Agreement") is made and entered into on _____, 20__ by and between The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation having its principal place of business located at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 (the "Franchisor"), and _____, a _____entity with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor**:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promise's covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Tennessee law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein and said action must be filed in the State of Tennessee.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

_____
(Name)

THE BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Name:_____
Title:_____

*This General Release does not apply with respect to claims arising under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder

EXHIBIT J TO THE DISCLOSURE DOCUMENT

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Operator Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Operator Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Operator Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Multi-Unit Operator Agreement require binding arbitration. The arbitration will occur at Tennessee with the costs being borne equally by the parties. 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.

7. The Franchise Agreement and Multi-Unit Operator Agreement require application of the laws of Tennessee. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.~~thebeefjerkyoutlet~~beefjerkyx.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State."

2. The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20. The termination and nonrenewal conditions and rights for Illinois franchises are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987. 815 ILCS 705/19, 20 (West 2010).

3. Illinois law will govern any franchise agreement. Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive requirements with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act.

4. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/41 (West 2010), which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

5. Item 17(g) of the Disclosure Document is amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for The Beef Jerky Outlet Franchise, Inc.'s Franchise Disclosure Document and for its Franchise and Multi-Unit Operator Agreements. The amendments to the Franchise and Multi-Unit Operator Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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.

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

(a) A prohibition on the right of a franchisee to join an association of franchises.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn:- Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Operator Agreement as follows:

1. Item 13 of the Disclosure Document and Article 5 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

"In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Articles 12 and 14 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

"Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are amended by the addition of the following language to the original language that appears therein:

"Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are hereby amended accordingly.

10. 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.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 Liberty Street. 21st Floor, NEW YORK, NEW YORK 10005. 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.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

> You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.),* which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 15 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 15 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement and which require jurisdiction of courts in Tennessee are deleted.

6. Item 17(w) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 18 of the Multi-Unit Operator Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages is contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement, which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Beef Jerky Outlet Franchise, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 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.

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 ADDENDUM ~~REQUIRED BY~~TO THE ~~STATE OF WASHINGTON~~FRANCHISE DISCLOSURE DOCUMENT,

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 event of a 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 ~~including the areas of termination and renewal of your franchise.~~. Franchise agreement provisions, including 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~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights~~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).

~~4.~~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.

~~5.~~6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

~~Pursuant~~

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 ~~49.62.020, a noncompetition covenant~~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 ~~and unenforceable against an employee~~, 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.

~~6.~~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). ~~an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation).~~ In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

~~7.~~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.

16. **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.

17. **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).

18. **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. Franchisees who receive financial incentives from us with respect to referring franchise prospects, may be required to register as a franchise broker under the laws of Washington State.

~~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.~~

EXHIBIT K
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor" or "Franchisee") assigns, transfers and sets over to The Beef Jerky Outlet Franchise, Inc., a Tennessee corporation ("Assignee" or "Franchisor"), all of Assignor's right and title to, and interest in, that certain "Lease" a copy of which is attached as Exhibit "1" respecting premises known as _____("Leased Premises"). This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the Leased Premises according to the terms of this document and agrees in writing to assume Assignor's obligations under the Lease including the cure of all Tenant defaults.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Beef Jerky Experience Franchise Store between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement, Assignee has the right to take possession of the Leased Premises and expel Assignor from the Leased Premises. In that event, Assignor will have no further right and title to or interest in the Lease or the Leased Premises but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement, Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required, Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

After Franchisor/Assignee assumes Tenant's interests in the Lease, Franchisor/Assignee may, with Landlord's consent, assign the Lease for the Leased Premises to a franchisee of Franchisor so long as the Leased Premises have remained in continuous operation as a ~~Beef Jerky Experience Store~~business offering the products and services of the franchise business offered by Franchisor, the Lease is in no manner of default after prior written notice and opportunity to cure as set forth in the Lease, and Landlord has received an assignment and assumption agreement under which a proposed assignee with a net worth, operating history and personal guarantees acceptable to Landlord agrees to assume: (i) the Lease and (ii) all of Franchisor/Assignee's duties thereunder. Tenant shall remain liable to Landlord for all of its obligations under the Lease,

notwithstanding any assignment of the Lease to Franchisor. From and after the date of an assignment by the Franchisor to any approved assignee, Tenant and any prior Guarantor shall be released of any obligations under the Lease except as to any claim arising prior to any assignment hereunder.

Landlord shall not unreasonably withhold its consent if and when Franchisor/Assignee (if it has exercised its rights under this Assignment) seeks to assign the Lease to any third party with a net worth, operating history and personal guarantees acceptable to Landlord and meets all Franchisor's standard requirements for franchise ownership.

Tenant's use on the Leased Premises of any Franchisor trademark, service mark or other proprietary mark or symbol shall not create in Landlord any rights to the use thereof. In the event Tenant ceases operations or closes, and Franchisor does not exercise its assignment rights hereunder, Landlord shall permit Franchisor (or its authorized representative) upon reasonable, prior, notice to Tenant at its last known address to enter the Premises for the purpose of de-identification or removal of Franchisor's proprietary equipment, software, and brand-identifying trade dress, provided that (1) Franchisor shall be responsible for repairing any damage caused by such removal, (2) such written request is made by the later of (i) thirty (30) days after Franchisor's receipt of the Default Notice that Landlord sent to Tenant and (ii) fifteen (15) days after the last day that Tenant shall have the legal right to permit entry into the Leased Premises as a matter of law and (4) Franchisor shall indemnify, defend, and hold Landlord harmless from any damage, loss or claim made by Tenant arising from or related to Franchisor's actions hereunder.

This Assignment may only be amended in a writing that is signed by the Landlord, Tenant, and Franchisor/Assignee.

ASSIGNEE (FRANCHISOR): **ASSIGNOR (FRANCHISEE):**
THE BEEF JERKY OUTLET FRANCHISE, INC.

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

CONSENT TO CONDITIONAL ASSIGNMENT
AND AGREEMENT BY LANDLORD

The undersigned Landlord under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's default under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within ten (10) days for monetary defaults and thirty (30) days for non-monetary defaults after Landlord's delivery of notice of the default under section (a) above;

(c) Consents to the Conditional Assignment and the terms therein and agrees that if Assignee takes possession of the premises and confirms to Landlord that it has assumed the Lease as tenant, Landlord will recognize Assignee as tenant under the Lease; and

(d) So long as the Premises have remained in continuous operation ~~as a Beef Jerky Experience Store~~offering products and services of the Franchisor and the Lease is in no manner of default after prior written notice and opportunity to cure as set forth in the Lease, then, upon receipt by Landlord of an assignment and assumption agreement under which a proposed assignee with a net worth, operating history and personal guarantees acceptable to Landlord, Landlord agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation solely to operate a ~~Beef Jerky Experience~~ Store that agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor. Upon such assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee is a valid franchisee of The Beef Jerky Experience Franchise, Inc. in good standing.

LANDLORD:

_____

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT L

RESERVATION AGREEMENT

THIS RESERVATION AGREEMENT ("Agreement") is made and entered into as of _____("the Effective Date") by and between The Beef Jerky Outlet Franchise, Inc., with its principal office at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764 ("we" or "us") and _____ located at _____ ("you").

RECITALS

A. We, as a result of the expenditure of time, skill, effort and money, have developed a proprietary system for developing and operating businesses specializing in the retail marketing of retail food stores that feature (i) an exceptional variety of jerky products, sausages and smoked meats, sauces, rubs, seasonings, marinades, jams, butters, jellies, peanuts, candies, cheeses, and other similar foods. Beef Jerky Experiences operate using our proprietary methods, techniques, trade dress, trademarks and logos (the "~~Beef Jerky Experience~~ Franchise Business~~").~~")..

B. You desire to reserve, for the term of this Agreement, an option to establish a Beef Jerky Experience Franchise Business (as applicable and identified above) within the geographic territory described in the Appendix to this Agreement (the "Reserved Territory").

C. We agree to review and at our discretion we may visit your Reserved Territory for potential ~~Beef Jerky Experience~~ Stores, subject to your understanding that we may grant or deny approval in our discretion after our analysis of viability of the Beef Jerky franchise program in such Reserved Territory.

D. We desire to grant you the option upon the terms and conditions outlined in this Agreement.

NOW, THEREFORE, in consideration of the above, the parties agree as follows:

AGREEMENTS

1. Reservation. Subject to our review and potential visit of your Reserved Territory at a time and date we will mutually determine, and our subsequent analysis and our sole approval of same in our discretion for the establishment of ~~Beef Jerky Experience~~ Stores in such territory, we grant to you, and only you, the right to establish a ~~Beef Jerky Experience~~ Franchise Business within the Reserved Territory during the term of this Agreement. In such event, you must pay our actual costs of travel and lodging for each visit. You acknowledge that the Reserved Territory may be smaller or larger than the territory granted to you under the terms of a Franchise Agreement entered into between the parties if you determine to establish a ~~Beef Jerky Experience Franchise Business~~Sstore within the Reserved Territory.

2. Term. This Agreement will terminate at the earlier of: (1) 6 months from the Effective Date listed above (such expiration date will be _____); (2) the date on which the parties execute a Franchise Agreement for a ~~Beef Jerky Experience~~ franchise within the Reserved Territory; or (3) the date on which you notify us in writing that you are no longer interested in

pursuing the franchise opportunity with us. Upon termination, you must comply with the terms of Sections 7 and 8 below. This Agreement may, upon your request and our consent, be renewed for one additional period of 6 months pursuant to the terms of Section 3.2.

3. Fees.

3.1 Reservation Fee. If you are not a current Beef Jerky franchise owner, as applicable, You must pay a Reservation Fee to us of $10,000. If we approve of your Reserved Territory as being suitable for the location of a ~~Beef Jerky Experience~~ franchise but you determine in the first six (6) months not to execute a franchise agreement, we will refund $7,500; if we do not approve your Reserved Territory within this time period, we will refund $8,500. All refunds are subject to execution of a mutual release. If you are a current Beef Jerky franchise owner, your Reservation Fee will be $2,500 and is non-refundable.

3.2 Extension of Reservation Term. In the event you request, and we agree to permit extension of this Agreement for an additional period of six (6) months, the Reservation Fee shall be non-refundable as a condition of the grant of such extension to you.

3.3 Refundability. The Reservation Fee is partially refundable for new franchise owners paying $10,000 under the terms of Section 3.1 and is non-refundable pursuant to the terms of Section 3.2. In the event you execute a Franchise Agreement with us, the Reservation Fee shall be applied against the Initial Franchise Fee payable to us under the Franchise Agreement.

4. Our Option to Terminate. During the term of this Agreement (including any six (6) month extension if applicable), and prior to execution of a Franchise Agreement, you understand and acknowledge that we may at our discretion choose to terminate this Agreement for any reason in our reasonable business judgment exercised in good faith. If we exercise this option, we will refund the entire Reservation Fee in full to you upon execution of a mutual release agreement.

5. Site Selection. While we reserve the right to accept or reject any proposed store location, the selection of any such location is your sole responsibility. We will not unreasonably withhold our approval of a selected location and may provide advice and assistance to you in identifying potential locations. Our acceptance of any store location simply means that the location meets our then-current site selection criteria. You may not construe any advice or assistance as our representation, assurance or guarantee as to the probability or level of success you can expect to attain at such location.

6. Franchise Agreement. You acknowledge and understand that this Reservation Agreement is intended to grant you the right to open a ~~Beef Jerky Experience~~ Franchise Business within the Reserved Territory under our current form of Franchise Agreement at the time of its execution. However, if you choose to execute a Franchise Agreement before the expiration of the term of this Reservation Agreement, the Initial Franchise Fee and ongoing royalty will be the same as described in the Franchise Agreement being offered at the time of execution of this Reservation Agreement. In all other respects, we have the right to alter or amend the form and content of the Franchise Agreement that you sign.

7. Acknowledgement. You acknowledge that this Reservation Agreement grants you the right to become a ~~Beef Jerky Experience~~ franchisee and open a ~~Beef Jerky Experience~~ Franchise Business. Further, except as noted in this Reservation Agreement, you acknowledge that you may not represent or hold yourself out as a Beef Jerky Experience franchisee, or otherwise use any of

our trademarks or other proprietary information, until a Franchise Agreement is executed by you and us.

8. Confidentiality. During the term of this Agreement, you may gain access to or receive certain information concerning our business, our prospects and our franchise system. You acknowledge and agree that any such information must be regarded as confidential and proprietary to us, and you may not divulge or utilize same except in the development and operation of a ~~Beef Jerky Experience~~ Franchise Business.

9. Notices. Any and all notices required to be given under this Agreement must be in writing and sent by certified mail to us at our address above, and if to you, at the location designated above. All payments you owe and pay to us must be sent to our above address.

10. Miscellaneous. The parties' rights and obligations under this Agreement will be governed by, and the relationship of the parties is governed by and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Tennessee. If any provisions of this Agreement are declared invalid or unenforceable by a court of competent jurisdiction, such provision will be deemed not to be a part of this Agreement, and the parties agree to remain bound by all remaining provisions. The parties agree that any suit, action or proceeding with respect to this Reservation Agreement must be brought in any state court of competent jurisdiction located in the State of Tennessee or any Federal court of competent jurisdiction located in the State of Tennessee, and the parties waive any questions of personal jurisdiction or venue for the purposes of carrying out this provision.

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

"WE":
BEEF JERKY OUTLET FRANCHISE, INC.

By:_____
Paul Lyons, President

"YOU":
(if "you" are a partnership, sole proprietorship or individually)

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Date: _____	Date: _____

(Continued on next page)

(if "you" are a corporation or limited liability company)

_____
(Print Name of Corporation/LLC)

a(n) ☐ S-Corp ☐ C-Corp ☐ LLC
(Select One)

By:_____
Signature

_____
Print Name

_____
Print Title

APPENDIX

TO RESERVATION AGREEMENT

APPLICANT INFORMATION:

A. Type of Applicant:

_____Individual(s) _____Partnership _____Corporation

_____LLC

_____Prospective Franchisee _____Existing Franchisee

B. Name (if not Individual(s)): _____

C. Owners. List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in the Franchisee and describe the nature of the interest.

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

Name: _____ Number of Ownership Interests Owned:_____
Address:_____ % of Total Ownership Interests:_____
_____ Other Interest (Describe):_____

D. RESERVED TERRITORY DESCRIPTION:

_____
_____
_____

E. APPLICANT'S AGENT FOR NOTICES:

Name_____

Address (if different from address above):

STREET_____

CITY_____

STATE/ZIP_____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

California	March 18, 2025
Hawaii	N/A
Illinois	~~February 23, 2024~~April 9, 2025
Indiana	April ~~7, 2024~~8, 2025
Maryland	~~October 21, 2024~~December 22, 2025
Michigan	September 5, ~~2024~~2025
Minnesota	April 1, 2025
New York	March 27, ~~25 to~~2025 – Feb. 26, 2026
North Dakota	March 7, 2025
Rhode Island	September 30, ~~2024~~2025
South Dakota	~~June 14, 2024~~May 20, 2025 – July 17, 2026
Virginia	August ~~19, 2024~~12,2025
Washington	November ~~2, 2024~~4, 2025
Wisconsin	February ~~13, 2025~~18, 2026

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.

EXHIBIT M - RECEIPT
(RETURN ONE COPY TO US) FRANCHISOR COPY

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 The Beef Jerky Outlet Franchise, 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 require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If The Beef Jerky Outlet Franchise, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is The Beef Jerky Outlet Franchise, Inc., located at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764. Its telephone number is (865) 934-8000.

The names, principal business addresses and telephone numbers of the franchise sellers for this offering are: Scott Parker, 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764, (865) 934-8000, Paul Lyons, Stephen Lyons and William Szlachta, 1633 Kirkton Dr., Troy, Michigan 48083, (865) 934-8000.

The Beef Jerky Outlet Franchise, Inc. authorizes the agents listed in Exhibit A to receive service of process for it.

Issuance Date: February 1, ~~2025~~2026.

I have received a disclosure document with an issuance date of February 1, ~~2025~~2026, that included the following Exhibits:

A – List of State Agencies/Agents for Service of Process	F – List of Franchisees and Multi-Unit Operators Who Have Left the System
B – Franchise Agreement	G – Table of Contents of Operations Manual
C – Multi-Unit Operator Agreement	H – Franchisee Disclosure Acknowledgment Statement
D – Financial Statements	I – Form of General Release
E – List of Franchisees and Multi-Unit Operators	J – Multi-State Addendum
	K – Collateral Assignment of Lease
	L – Reservation Agreement

Date:_____ _____
(Do not leave blank) Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt by signing, dating and mailing it to The Beef Jerky Outlet Franchise, Inc. at 2849 Winfield Dunn Parkway, Unit 250, Kodak, TN 37764.

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Print Name

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