

## FRANCHISE DISCLOSURE DOCUMENT



The HBH Franchise Company, LLC  
a Georgia limited liability company  
3875 Mansell Road  
Alpharetta, Georgia 30022-1532  
Tel: (678) 966-3100  
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[www.honeybakedfranchise.com](http://www.honeybakedfranchise.com)

The franchisee will operate a retail store under the name “The Honey Baked Ham Co.” that specializes in the sale of hams, turkeys and other products and serves sandwiches, salads, beverages and other menu items (“HoneyBaked Store” or “Store”). The total investment necessary to begin operation of a HoneyBaked Store ranges from \$514,200 to \$829,600. This includes \$68,500 that must be paid to us or our affiliates. The total investment necessary to begin operation of a Seasonal Store ranges from \$581,400 to \$876,950. This includes \$49,500 to \$55,100 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your Area Development Agreement (the agreement that outlines how many units you are to open in a specified time period and the development area for those units) and Franchise Agreement (the agreement which defines your protected territory and your ongoing operating relationship), and other information in plain English. **–Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale. Note, however, that no governmental agency has verified the information in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Administration Department at 3875 Mansell Road, Alpharetta, Georgia 30022-1532, and (678) 966-3100.

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 document to an advisor, like a lawyer or 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 visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: January ~~15, 2025, as amended September 30, 2025~~ 12, 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
<b>How much can I earn?</b>	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 J.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit K includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only HoneyBaked Store in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a HoneyBaked Store franchisee?</b>	Item 20 or Exhibit J lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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.

## 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 model 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 risks be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by litigation only in Georgia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.
2. **Choice of Law.** The Franchise Agreement states that Georgia law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.

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, ANY PARENT, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, “we,” “us,” “our,” or “HBH” means The HBH Franchise Company, LLC, the franchisor. “You” means the person or legal entity who buys the franchise. If you are a legal entity, the provisions of this disclosure document also apply to all of your direct and indirect equity owners.

**The Franchisor.** HBH is a Georgia limited liability company organized on July 8, 1998. Our principal place of business is 3875 Mansell Road, Alpharetta, Georgia 30022-1532. We do business under the names “HoneyBaked,” “The Honey Baked Ham Co.,” and “Honey Baked Ham.” We began offering franchises for HoneyBaked Stores on August 5, 1998 ~~and as~~ As of September ~~29, 2024~~28, 2025, there were ~~208~~212 franchised HoneyBaked Stores ~~and four franchised Seasonal Stores~~. We do not own any HoneyBaked Stores; however, as of September ~~29, 2024~~28, 2025, our affiliate, The Honey Baked Ham Company, LLC (“HBH Co.”) and its subsidiaries operated ~~231~~236 HoneyBaked Stores and 59 Seasonal Stores, which we collectively refer to in this disclosure document as “Company-Owned Stores”. We generally do not engage in any business not described in this Item 1. Our agents for service of process are listed in Exhibit A.

**HoneyBaked Stores.** We offer franchises under this disclosure document (“Franchises”) to establish and operate one or more HoneyBaked Stores. HoneyBaked Stores operate under the “Honey Baked Ham” and “The Honey Baked Ham Co.” name and marks and certain other service marks, trademarks, trade names, logos and unique signs that may be developed in the future for use with the System (“Marks”). HoneyBaked Stores sell ham, turkey and other products that are produced utilizing trade secrets and proprietary processes and operate on-site cafés that serve sandwiches, salads, beverages and other menu items approved by HBH. HoneyBaked Stores operate under the HoneyBaked operating system (“System”), which is a business format utilizing certain common standards, specifications, methods, procedures, recipes, techniques, management systems and proprietary and trade secret information for the preparation and sale of specialty hams, turkeys and related food and beverage products and other items. The System is characterized by a distinctive building design, signage, specifications and appearance; uniform operating methods, procedures and techniques; and other confidential procedures, methods and techniques for inventory and cost controls, record keeping and reporting, personnel management and training, and purchasing, marketing, sales promotion and advertising. The standards and specifications for the System are detailed in the Franchise Operations Manual (“FOM”).

**Seasonal Stores.** We have developed a program for the development and operation of HoneyBaked Stores that are only open during holiday seasons (“Seasonal Stores”) and that are supported by products supplied by HoneyBaked Stores that operate year-round (“Primary Stores”). All products sold at Seasonal Stores are supplied by the Primary Store. Seasonal Stores are open, at a minimum, during the following holiday seasons: Thanksgiving, Christmas and Easter as required by the FOM.

**The Franchise Offered.** When you are evaluating whether to purchase a Franchise, you will acquire confidential information about the System. You must sign a Confidentiality Agreement, which is attached as Exhibit B, before we will provide access to this information. You can buy a Franchise to develop and operate one Store, or, if you and the area in which you are interested meet certain qualifications, you can buy the rights to develop multiple Stores. You must sign an Area Development Agreement (Exhibit C) and pay the Development Fee (as described in Item 5) and we will identify a development schedule and a designated geographic area in which you will develop your Store(s) (“Development Area”). Thereafter, after you sign an agreement to lease or purchase the site for a Store, you must sign a Franchise Agreement (Exhibit D), which will govern your development and operation of the Store, and pay the Franchise Fee (as described in Item 5). For each Store that you develop under an Area Development

Agreement, you must sign our then-current form of Franchise Agreement. That form of Franchise Agreement may differ from the form of Franchise Agreement included in this disclosure document as Exhibit D.

**Regulation and Competition.** In addition to laws and regulations that apply to businesses generally, the Stores are subject to various federal, state and local government regulations including those for construction, site location, the sale of food, and public health and safety codes and ordinances like the United States Department of Agriculture rules regarding the preparation, labeling and sale of meat products. You will be responsible for keeping apprised of and complying with all applicable laws including, without limitation, the Americans with Disabilities Act.

The retail sale of specialty food products is highly competitive. Seasonal events and holidays, like Thanksgiving, Christmas and Easter, will affect your sales. You should anticipate that your sales will be significantly greater during these holiday seasons. Your competitors include fast food restaurants, cafés, sandwich shops, supermarkets, discount club chains, websites, grocery stores and specialty food stores that sell cured hams, turkeys and other specialty food products. The success of your Store may be affected by the specific site you select. Stores are typically located in shopping centers, but also may be located at freestanding locations.

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

Our parent is The Franchise Holding Company, LLC (“FHC”). FHC has not offered franchises in any line of business and does not fulfill nor guarantee any of our obligations. FHC shares our principal business address.

FHC’s parent is HBH Co. HBH Co. owns the System and the Marks and the CMS Point-of-Sale software that is used in HoneyBaked Stores. In a license agreement dated May 4, 2015 (the “License Agreement”), HBH Co. granted a license to HBH to use and grant licenses to its franchisees to use the System and the Marks. HBH Co. operates our Company-Owned Stores. HBH Co. has not offered franchises in any line of business and does not fulfill nor guarantee any obligation of HBH. HBH Co. shares our principal business address.

In connection with a transaction that closed on September 29, 2025, HBH Buyer, LLC became the parent of HBH Co. HBH Buyer, LLC’s ultimate parent is HBH Ultimate Holdings, LP (“HBH Ultimate Holdings”) (and disregarding several intermediate holding companies). HBH Ultimate Holdings is controlled through affiliated companies owned or controlled by Garnett Station Partners, LLC, a New York-based investment firm (“Garnett Station Partners”). Garnett Station Partners, as well as HBH Buyer, HBH Ultimate Holdings, and the intermediate holding companies, have their principal business address at 450 Park Avenue, 24th Floor, New York, New York 10022.

None of our parent companies have offered or sold franchises in any line of business and do not fulfill nor guarantee any of our obligations.

### **Affiliates with Franchise Programs**

Through control with private equity funds managed by Garnett Station Partners, we are affiliated with the following franchise programs:

Woof Gang Bakery, Inc., whose principal business address 7575 Dr. Phillips Blvd. Suite 275, Orlando, Florida 32819 (“Woof Gang”), is the franchisor of Woof Gang Bakery® retail stores that offer dog treats, pet food, pet accessories, and pet grooming services. Woof Gang has offered Woof Gang

Bakery® franchises since January 2008. As of December 31, 2024 there were approximately 236 franchised and 0 company owned Woof Gang Bakery® store in operation. Woof Gang has not conducted a business of the type you will operate and has not offered franchises in any other line of business.

190 Octane Franchisor LLC, whose principal business address 418 Bourbon St., New Orleans, Louisiana 70130 (“Fat Tuesday”), is the franchisor of Fat Tuesday® bar and restaurant businesses. Fat Tuesday and its predecessor have offered Fat Tuesday® franchises since the third quarter of 2018. As of December 31, 2024 there were approximately 21 franchised and 54 company owned Fat Tuesday® businesses in operation. Fat Tuesday has not conducted a business of the type you will operate and has not offered franchises in any other line of business.

[SMK Franchising Inc., whose principal business address 7650 Birchmount Road, Markham, Ontario, Canada L3R 6B9 \(“Sarku Japan” or “Sarku”\), is the franchisor of Sarku Japan restaurants that offer teppanyaki, sushi, and other Japanese and/or selected Asian-fusion menu items. Sarku Japan has offered Sarku restaurant franchises since January 1, 2004. As of December 1, 2025, there are approximately 31 franchised and 141 company-owned restaurants in operation in the United States, and approximately 38 franchised restaurants in Colombia. Sarku Japan has not conducted a business of the type you will operate and has not offered franchises in any other line of business.](#)

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Chief Executive Officer: James Dinkins**

Mr. Dinkins has served as Chief Executive Officer for HBH Co. and Manager of HBH since May 2021. From January 2018 to August 2020, he was President, Coca Cola North America for The Coca Cola Company in Atlanta, Georgia. From June 1988 to June 1999 and from August 2002 to February 2021, he held various roles with The Coca Cola Company in Atlanta, Georgia including President of the Minute Maid Business Unit and Chief Retail Sales Officer for Coca Cola North America.

### **Chief Operating Officer: Kevin Koons**

Mr. Koons has served as Chief Operating Officer of HBH Co. since July 2024. From July 2022 to July 2024, he was Senior Vice President of North America Operations for Papa John’s International, Inc. in Atlanta, Georgia. ~~From May 2016 to February 2020, he served as Senior Vice President of U.S. Operations for Wingstop Inc. in Dallas, Texas.~~

### **Chief Financial Officer: Kenneth Marshall**

Mr. Marshall has served as Chief Financial Officer for HBH Co. since October 2021. From March 2008 to October 2021, he served as Senior Vice President of Equifax Inc. in Atlanta, Georgia.

### **General Counsel: Stephen Johnson**

Mr. Johnson has served as General Counsel for HBH Co. since December 2019.

### **Senior Vice President of Operations: James Hannan**

~~Mr. Hannan has served as Senior Vice President of Operations for HBH Co. since October 2024. From July 2023 to October 2024, he served as Senior Vice President, Franchise for HBH Co. From October 2020 to July 2023, he served as Senior Vice President, Operations for HBH Co. From August 2012 to~~

~~October 2020, he served as Vice President of Operations for TEAM Schostak Restaurant Group in Detroit, Michigan.~~

**Vice President of Franchise Operations: Jerry DeFeo**

Mr. DeFeo has served as Vice President of Franchise Operations for HBH Co. since December 2024. From November 2019 to June 2024, he served as Vice President of Franchise Operations for Agile Pursuits Franchising, Inc. in Cincinnati, Ohio.

**Vice President of Development and Construction: William Reno**

Mr. Reno has served as Vice President of Development and Construction for HBH Co. since June 2025. From January 2024 to June 2025, he was President of Franchise Operations for BNI Global LLC in Charlotte, North Carolina. From January 2019 to January 2024, he was Vice President of Global Development and Operations for Subway Franchise World Headquarters in Shelton, Connecticut.

**Senior Training Manager: Lisa Hubbert**

Ms. Hubbert has served as Senior Training Manager for HBH Co. since October 2017. From May 2015 to October 2017, she served as Training Manager for HBH Co. From October 2010 to May 2015, Ms. Hubbert served as Training Manager for The Original Honey Baked Ham Co. of Georgia, Inc.

**Construction Manager: Michael Huntington**

Mr. Huntington has served as Construction Manager for HBH Co. since February 2023. From October 2021 to February 2023, he served as Construction Manager for Adaptive Construction Management in Dallas, Texas. ~~From April 2018 to November 2020 he served as Construction Manager for Raising Cane's Restaurants, LLC in Plano, Texas.~~

**Director of Retail Store Marketing: Jason Simons**

Mr. Simons has served as the Director of Retail Store Marketing for HBH Co. since May 2015. From May 2014 to May 2015, Mr. Simons served as Director of Retail Store Marketing for The Original Honey Baked Ham Co. of Georgia, Inc. From February 2011 to May 2014, he served as Senior Franchise Marketing Manager for The Original Honey Baked Ham Co. of Georgia, Inc.

**ITEM 3  
LITIGATION**

**Concluded Matter**

*Sweetie Bell Hams, LLC v. The HBH Franchise Company, LLC*, No. 25CV003547 (Fulton Co., GA). The plaintiff was a franchisee that never developed or opened the one store required by their Franchise Agreement with us, despite several extensions of time. We terminated the Franchise Agreement in accordance with its terms for failure to meet the extended deadline for opening the store. The plaintiff filed suit on or about March 14, 2025, alleging that the delays were caused by us. The Complaint contained seven counts: breach of contract, breach of the implied covenant of good faith and fair dealing, promissory estoppel, violation of a Georgia statute (O.C.G.A. § 51-1-6), negligent misrepresentation, misrepresentation of material fact, and attorneys' fees pursuant to O.C.G.A. § 13.6.11. The Complaint sought compensatory, consequential, and punitive damages in an unstated amount, attorneys' fees and costs, and prejudgment interest. Although we believed that the case lacked merit, in order to avoid the cost and risks of litigation,

we agreed to pay the plaintiff the sum of \$100,000 to settle the matter. The parties exchanged mutual releases and the case was dismissed with prejudice on July 1, 2025.

\* \* \* \* \*

Other than this action, 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**

**Development Fee.** When you sign the Area Development Agreement, you must pay a fee in the amount of ~~\$15,000 for each~~ 20,000 for the first Store, and \$10,000 for each subsequent Store and \$5,000 for each Seasonal Store that you agree to develop (“Development Fee”). If you are an existing franchisee and you operate at least one Store, we will reduce the Development Fee for each Store you agree to develop to ~~\$5,000~~ 10,000 and you will pay \$5,000 for each Seasonal Store that you agree to develop. The Development Fee is fully earned when paid, is not refundable under any circumstances, and is not credited against any other fees paid to us.

**Franchise Fee.** When you sign the Franchise Agreement for a Store, you will pay an initial franchise fee in the amount of ~~\$15~~ 20,000 for your first Store, \$10,000 for a subsequent Store and \$5,000 for a Seasonal Store (“Franchise Fee”). The Franchise Fee is fully earned when paid, is not refundable under any circumstances, and is not credited against any other fees paid to us.

**Opening Inventory, Smallwares, Products, Supplies, and Training Materials.** Before you open your Store, you must purchase an initial inventory of ham, turkey, other protein products such as pot roast, BBQ roast and ribs, side dishes, desserts, condiments, bags, boxes and other paper and plastic supplies, lunch products including drinks, bread, supplies, smallwares, training materials and produce with an estimated cost of \$15,000 to ~~\$20~~ 21,000 payable to suppliers, vendors and HBH. Of these purchases, the typical costs for the initial inventory of supplies, smallwares, and training materials payable to HBH will range from \$7,500 to \$9,100 depending upon your projected needs.

**Computer Hardware, Software and CMS Point-of-Sale System.** Before you open your Store, you must purchase the hardware, software, and CMS Point-of-Sale System described in Item 11 from HBH, a designated affiliate of HBH or other manufacturers and suppliers. The cost of these items (excluding costs and expenses of installation by HBH or others, if required) is currently ~~\$12,000 to \$16~~ 21,000 (which includes ~~three to~~ four registers). Seasonal Stores only require two registers, which will reduce this cost to \$10,500.

**VetFran Program.** HBH is a member of the International Franchise Association’s VetFran Program. Under the VetFran Program, if you do not currently operate a HoneyBaked Store, you (or a holder of at least a 51% ownership interest in your franchisee entity) provide us with a DD Form 214 or other adequate documentation, as determined by us, demonstrating honorable discharge from the United States military and you sign an Area Development Agreement to develop and operate ~~one new~~ Store ~~Stores~~, then we will reduce your Development Fee ~~to~~ for up to three Stores by \$5,000 for your first Store and by \$2,500 for any subsequent Stores and Seasonal Stores. You will sign a VetFran Addendum to the Area

Development Agreement, a copy of which is attached as Exhibit F. If, prior to the first anniversary of the opening date of ~~the Store~~any Store for which you received the discount, (1) you wish to transfer the Store, or (2) we terminate the Franchise Agreement, you must pay us the ~~\$10,000~~portion of the Development Fee that we waived under the VetFran Program.

### **Multi-Store Development Incentive Program:**

~~We are offering a development incentive program for qualified franchisees that sign an Area Development Agreement and a Multi-Store Development Incentive Program Addendum to the Area Development Agreement (Exhibit N.1) before January 31, 2026 to develop at least two new HoneyBaked Stores. When you sign the Franchise Agreement for each eligible Store that you develop and open in accordance with the terms of the Multi-Store Development Incentive Program requirements, you will sign a Multi-Store Development Incentive Program Addendum to the Franchise Agreement (attached as Exhibit A to Exhibit N.1). Under the Multi-Store Development Incentive Program:~~

~~(1) You will pay a \$15,000 Development Fee for the first two Stores that you agree to develop (reduced to \$5,000 per store for existing franchisees and veterans) and we will waive the Development Fees for any additional Stores you agree to develop;~~

~~(2) You must remain in full compliance with the Development Schedule for each Store;~~

~~(3) You must spend \$10,000 on approved local marketing during the first year of operation of each Store that you develop in addition to your \$10,000 opening advertising requirement and your existing national, regional and local marketing obligations; and~~

~~(4) We will waive the Royalty Fees for each Store during its first year of operation and reduce the Royalty Fee to 3% of net sales (as defined in Item 6) for each Store during its second year of operation. You must pay the standard Royalty Fee beginning with the third year of operation of each Store.~~

~~For each Store that you develop, if you fail to spend the additional \$10,000 on approved local marketing prior to the first anniversary of the opening date of the Store, then you must pay all waived Royalty Fees for that Store to us and you will not be eligible to pay reduced Royalty Fees for that Store in your second year of operation.~~

~~If you are an existing franchisee, you must be in good standing under each agreement that you have signed with us in order to qualify for the Multi-Store Development Incentive Program. The Multi-Store Development Incentive Program may not be combined with any other franchise fee or royalty incentives.~~

### **Single-Store Development Incentive Program:**

~~We are offering a development incentive program for qualified franchisees that sign an Area Development Agreement and a Single-Store Development Incentive Program Addendum to the Area Development Agreement (Exhibit N.2) before January 31, 2026 to develop one new HoneyBaked Store. When you sign the Franchise Agreement for the eligible Store that you develop and open in accordance with the terms of the Single-Store Development Incentive Program requirements, you will sign a Single-Store Development Incentive Program Addendum to the Franchise Agreement (attached as Exhibit A to Exhibit N.2). Under the Single-Store Development Incentive Program:~~

~~(1) You will pay a \$15,000 Development Fee (reduced to \$5,000 per store for existing franchisees and veterans);~~

~~(2) You must remain in compliance with the Development Schedule for the Store;~~

~~(3) You must spend \$10,000 on approved local marketing during the first year of operation of the Store that you develop in addition to your \$10,000 opening advertising requirement and your existing national, regional and local marketing obligations; and~~

~~(4) We will waive the Royalty Fees for the Store during its first year of operation. You must pay the standard Royalty Fee beginning with the second year of operation of the Store.~~

~~If, prior to the first anniversary of the opening date of the Store, you fail to spend the additional \$10,000 on approved local marketing, then you must pay all waived Royalty Fees to us.~~

~~If you are an existing franchisee, you must be in good standing under each agreement that you have signed with us in order to qualify for the Single Store Development Incentive Program. The Single Store Development Incentive Program may not be combined with any other franchise fee or royalty incentives.~~

\*\*\*\*\*

We expect that the fees discussed in this Item will typically be uniform for new franchisees and non-refundable; however, in certain unique circumstances; we may reduce or waive a fee for a particular franchisee. We do not offer financing for any of these fees.

**ITEM 6**  
**OTHER FEES**

<b>Name Of Fee</b>	<b>Amount</b>	<b>Due Date (See Note 1)</b>	<b>Remarks</b>
Royalty	6% of net sales	On or before the 20 <sup>th</sup> day of each calendar month based on the net sales during the preceding calendar month	See Note 2. See <del>Item 5</del> <a href="#">Note 4</a> for summary of the Development Incentive Programs and incentives offered.

Name Of Fee	Amount	Due Date (See Note 1)	Remarks
Monthly Marketing Obligation	Up to 5% of net sales  Currently 4.25% of net sales <a href="#">consisting of the following:</a>  <a href="#">Advertising Fund contribution: 3.25% of net sales</a>  <a href="#">Local advertising expenditures: 1% of net sales</a>	Same as royalty	Currently, your Monthly Marketing Obligation consists of your contribution to the Advertising Fund (3.25% of net sales) and your local advertising expenditures (1% of net sales). We reserve the right to increase your Monthly Marketing Obligation and we may reallocate the Monthly Marketing Obligation among the Advertising Fund, your local advertising requirements, and an advertising cooperative. These advertising funds and expenditures are further described in Item 11. Your Monthly Marketing Obligation will not exceed 5% of net sales. <a href="#">Seasonal Stores are required to spend at least 1% of the Store's prior year's annual net sales on local advertising in November and December of each year.</a>
Advertising deficiencies	Amount of local advertising deficiency	14 days after date of invoice	We may require you to provide, at least quarterly, copies of invoices documenting expenditures for local advertising. If you fail to make required local advertising expenditures, we have the right to do so on your behalf and you must reimburse us.
Additional training	Our reasonable costs of training program	Upon demand	See Note 3.
Advertising Materials	HBH's costs and expenses	Upon demand	We may develop or procure advertising and marketing plans and materials. If we elect to offer you advertising materials, we reserve the right to charge you an amount sufficient to cover our costs and expenses.
Convention Registration Fees	Currently \$ <del>0</del> <a href="#">300 per attendee</a>	Upon demand	We may <del>charge a reasonable</del> <a href="#">increase the</a> registration fee for our convention in the future <a href="#">as our costs of holding the convention increase</a> .

<b>Name Of Fee</b>	<b>Amount</b>	<b>Due Date (See Note 1)</b>	<b>Remarks</b>
Appraisal fee	Approximately \$2,500 to \$7,500	Upon demand	If, upon expiration or termination, we exercise our right to purchase and an appraisal is required, then you are responsible for the cost of appraisal. We may set-off the cost of this appraisal from the purchase price for your Store.
Audit expenses	Reasonable costs	Upon demand	If an audit discloses an understatement of 2% or more of the net sales of your Store for any period or periods, then you must pay us the reasonable cost of the audit. Such costs may include attorneys' and accountants' fees, travel expenses, room, board and actual compensation of our employees. You also must pay for two subsequent audits over the next 24-month period to verify that the accounting irregularities have been corrected.
CMS Point-of-Sale Support and Licensing Fee	Currently, \$2,400 per year for basic support and upgrades for up to 4 registers	When you open your Store and on or before January 31 <sup>st</sup> of each year thereafter	You must sign our CMS Support Agreement (Exhibit M) when you sign your Franchise Agreement. We will prorate this fee for your first year. We may increase this fee each year. We may modify the timing and method of the payment of this fee.
Conferences	Our reasonable costs and expenses of the conference	Upon demand	
Costs to cure defaults	Reasonable costs	Upon demand	You must reimburse us for our reasonable costs to cure any of your defaults that are curable if you have failed to cure the defaults within 15 days after notice of default and we choose to do so.
Customer Loyalty Program	Participation costs charged by our service provider; currently \$96/Store	Monthly	We do not currently charge our franchisees for participation in our customer loyalty program; however, we may require you to pay for your Store's reasonable participation costs in the future.

<b>Name Of Fee</b>	<b>Amount</b>	<b>Due Date (See Note 1)</b>	<b>Remarks</b>
Customer Satisfaction Programs	Up to \$100 per incident	Upon demand	You must participate in our current customer satisfaction program as described in Item 8. If you fail to resolve a customer complaint to our satisfaction and we resolve the complaint on your behalf, you will be required to reimburse us for our expenses.
<a href="#">Cybersource Fee</a>	<a href="#">Monthly Fixed Cost: \$34/ month</a>  <a href="#">variable costs: \$0.22-0.29/transaction</a>	<a href="#">Monthly</a>	<a href="#">Cybersource is Fraud Protection for BOPIS (Buy Online Pay In Store) orders. This fee is paid to us to pass through to the vendor.</a>
Damages for enforcing option to purchase Store	Approximately \$5,000 to \$20,000	Upon demand	You must reimburse us for any damages, costs and expenses (such as attorneys' fees) incurred by us in attempting to enforce our option to purchase.
<a href="#">Gift Card Transaction Fees</a>	<a href="#">Currently, 9% of the gift card face value for certain gift cards sold at third party vendor locations</a>	<a href="#">Upon demand</a>	<a href="#">You may be required pay us periodic and per-swipe transaction fees as may be required by vendors of gift cards that are redeemed at your Store. These payments will reimburse us for commissions and other fees we pay to the vendors.</a>
Ham override	\$0.25/per pound	Upon demand	We invoice franchisees for all ham purchases from our suppliers and have the right to charge an override charge for each pound of ham purchased.
<a href="#">Ham Change Order Fee</a>	<a href="#">\$100</a>	<a href="#">Upon demand</a>	<a href="#">This fee is charged when you change a ham order more than once a year. The first change order is free each calendar year.</a>
Indemnification	Any losses	Upon demand	You must pay for losses to HBH, HBH Co. or their affiliates, or any of their officers, directors, managers, agents or employees resulting from the operation of your business or from any other acts or omissions.
Inspection and testing fee	Costs of inspecting the supplier's facilities or testing samples	Upon demand	If you propose to purchase any items (other than specialty hams) from suppliers not designated or approved by us, you must submit a request to us.

<b>Name Of Fee</b>	<b>Amount</b>	<b>Due Date (See Note 1)</b>	<b>Remarks</b>
Insurance reimbursement	Any cost and premiums incurred	Upon demand	If you fail to obtain the insurance as required by the Franchise Agreement, we may obtain the required insurance on your behalf.
Interest and Late Fees	If any payment is more than 30 days late, then it will bear interest at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less, plus a \$100 late fee	Upon demand	We will not extend any further credit to you if your payments are more than 30 days past due and all of your purchases after that must be paid by certified or cashier's check or via electronic funds transfer. We also reserve the right not to extend credit at any time in our sole discretion.
Non-Compliance Fee	Up to \$1,000 for each default and for each week, or portion thereof, that the default continues	Upon demand	Only required if you commit a default of the Franchise Agreement, including a failure to submit reports or comply with the FOM, and we assess the fee.
Online Catering Program	Currently, \$0	Upon demand	We do not currently charge a fee for you to participate in our online catering program although we reserve the right to charge a fee in the future.
On-site training	Then-current per diem training fee, currently \$900, and travel costs and expenses	Upon demand	If you request and our personnel are available, we may provide on-the-job training for you, your Store Operator and your management personnel at your Store.
QA Audit	Approximately \$200 to \$275 per inspection	Upon demand	If you receive a failing score on a Quality Assurance ("QA") audit, you must reimburse us for the costs of having us or our designee conduct that audit and follow up inspections to assess whether you have corrected the deficiencies noted in the QA audit.
Reimbursement of costs and expenses	Our costs and expenses, including attorneys' fees	Upon determination of prevailing party	If there is a lawsuit, arbitration or other proceeding between you and us or HBH Co., and we prevail, then you must reimburse us for our costs and expenses, including attorneys' fees.
Reimbursement of costs and expenses regarding modifications or supplementations to Franchise Agreement or Area Development Agreement	Our costs and expenses (including attorneys' fees)	Upon demand	You must reimburse us for all costs and expenses incurred in connection with any modification or supplementation of the Franchise Agreement or Area Development Agreement or any waiver or consent granted by us, except where a modification or supplement results from an initiative by us.

Name Of Fee	Amount	Due Date (See Note 1)	Remarks
Relocation fee	<del>\$3,500</del> <u>10,000</u>	Upon demand	Any relocation of the Store must be approved in advance by us.
Renewal fee	<del>\$7,500</del> <u>10,000</u>	Upon signing of renewal franchise agreement	
Technology Fee	<del>\$110</del> <u>152</u> per month	On or before the 20 <sup>th</sup> day of each calendar month	The Technology Fee covers the costs of developing, launching, updating and maintaining your Store website, which can be accessed through the HoneyBaked.com website, store locator services, third-party and/or internal delivery platforms, online ordering services and other technological advances. We may increase the Technology Fee at any time and the increase shall be effective no sooner than 30 days after we notify you of the increase in writing. <a href="#">A Seasonal Store will only pay the Technology Fee for months when the store is open and generating revenue.</a>
Transfer fee	\$10,000	With Transfer Notice	Payable if you transfer your Franchise Agreement, Area Development Agreement, your Store, or any interest in your business entity. We have the right to approve all transfers and will not process the transfer application prior to receipt of the transfer fee. We will refund the transfer fee if we reject the transfer request.  In lieu of the transfer fee, we may charge a reasonable fee sufficient to cover our costs if you are an individual and you transfer your Franchise Agreement or Area Development Agreement to a new entity wholly owned by you or if you are an entity and you transfer less than 49% of your ownership interests.

The table above describes fees and payments that are payable to us or our affiliates, or imposed by us on behalf of a third party, relating to the operation of your Store. Unless otherwise noted, all fees are imposed by and payable to us and are non-refundable. Generally, all fees are uniformly imposed on our franchisees, however, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee for a limited period of time.

**Notes:**

1. Royalties, Advertising Fund contributions and all other fees or amounts payable to us or any of our affiliates will be withdrawn by us from a bank account specified by you by means of electronic funds transfer.
2. Net sales means the amount of all sales of all products and services sold in, on, about or from your Store together with any other revenues derived from the operation of the Store, whether by you or any other person and whether or not permitted by the Franchise Agreement; but excludes: refunds, allowances or discounts to customers, provided the related sales have previously been included in net sales; and the amount of any excise or sales tax paid by you to the appropriate government authority.
3. If we require you or another person who completed initial training to attend additional training programs, you must pay the reasonable costs of the additional training and for travel, living expenses and other costs incurred during these programs. In the event that the opening date of your Store will occur more than 75 days after both trainees have completed the second phase (15 days of in-store training) of the initial training program, you and a designated key employee must attend an additional one-week training program at an approved location before the opening of your Store. You must pay all costs associated with the additional training program including room, board, and transportation and make a payment to us of the reasonable costs of the additional training program. In addition, we may also determine that it is necessary for us to supply an additional trainer for a five-day period before the Store's opening, and we reserve the right to charge a fee equal to twice the daily salary of the trainer plus travel expenses that we incur in providing the additional trainer.

4. Multi-Store Development Incentive Program.

We are offering a development incentive program for qualified franchisees that sign an Area Development Agreement and a Multi-Store Development Incentive Program Addendum to the Area Development Agreement (Exhibit O.1) before January 31, 2027 to develop at least two new HoneyBaked Stores. When you sign the Franchise Agreement for each eligible Store that you develop and open in accordance with the terms of the Multi-Store Development Incentive Program requirements, you will sign a Multi-Store Development Incentive Program Addendum to the Franchise Agreement (attached as Exhibit A to Exhibit O.1). Under the Multi-Store Development Incentive Program:

(1) You must remain in full compliance with the Development Schedule for each Store;

(2) You must spend \$10,000 on approved local marketing during the first year of operation of each Store that you develop in addition to your \$20,000 opening advertising requirement and your existing national, regional and local marketing obligations; and

(3) We will waive the Royalty Fees for each Store during its first year of operation and reduce the Royalty Fee to 3% of net sales for each Store during its second year of operation. You must pay the standard Royalty Fee beginning with the third year of operation of each Store.

For each Store that you develop, if you fail to spend the additional \$10,000 on approved local marketing prior to the first anniversary of the opening date of the Store, then you must pay all waived Royalty Fees for that Store to us and you will not be eligible to pay reduced Royalty Fees for that Store in your second year of operation.

If you are an existing franchisee, you must be in good standing under each agreement that you have signed with us in order to qualify for the Multi-Store Development Incentive Program. The Multi-Store Development Incentive Program may not be combined with any other franchise fee or royalty incentives.

Single-Store Development Incentive Program.

We are offering a development incentive program for qualified franchisees that sign an Area Development Agreement and a Single Store Development Incentive Program Addendum to the Area Development Agreement (Exhibit O.2) before January 31, 2027 to develop one new HoneyBaked Store. When you sign the Franchise Agreement for the eligible Store that you develop and open in accordance with the terms of the Single Store Development Incentive Program requirements, you will sign a Single Store Development Incentive Program Addendum to the Franchise Agreement (attached as Exhibit A to Exhibit O.2). Under the Single Store Development Incentive Program:

- (1) You must remain in compliance with the Development Schedule for the Store;
- (2) You must spend \$10,000 on approved local marketing during the first year of operation of the Store that you develop in addition to your \$20,000 opening advertising requirement and your existing national, regional and local marketing obligations; and
- (3) We will waive the Royalty Fees for the Store during its first year of operation. You must pay the standard Royalty Fee beginning with the second year of operation of the Store.

If, prior to the first anniversary of the opening date of the Store, you fail to spend the additional \$10,000 on approved local marketing, then you must pay all waived Royalty Fees to us.

If you are an existing franchisee, you must be in good standing under each agreement that you have signed with us in order to qualify for the Single Store Development Incentive Program. The Single Store Development Incentive Program may not be combined with any other franchise fee or royalty incentives.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR A HONEYBAKED STORE**

Type of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment is to be made (See Note 1)
	Low Range	High Range			
Development Fee (See Note 2)	<del>\$15</del> 20,000	<del>\$15</del> 20,000	Lump sum	When you sign the Area Development Agreement	HBH

Type of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment is to be made (See Note 1)
	Low Range	High Range			
Franchise Fee (See Note 2)	<del>\$15</del> <u>20</u> ,000	<del>\$15</del> <u>20</u> ,000	Lump sum	When you sign the Franchise Agreement	HBH
Travel and Living Expenses while Training (See Note 3)	\$2,000	\$7,500	As incurred	As incurred	Airlines, hotels and restaurants
Real Estate and Improvements (See Note 4)	<del>\$245</del> <u>225</u> ,000	<del>\$425</del> <u>400</u> ,000	As incurred	As incurred	Suppliers and vendors
Architectural (See Note 5)	<del>\$116</del> <u>5</u> ,500	<del>\$18,350</del> <u>17,500</u>	As incurred	As incurred	Suppliers and vendors
Equipment, Décor and Fixtures (See Note 6)	<del>\$170</del> <u>141</u> ,000	<del>\$200</del> <u>191</u> ,000	As incurred	As incurred	Suppliers and vendors
Rent (See Note 7)	<del>\$12,200</del> <u>6,000</u>	<del>\$40</del> <u>30</u> ,000	As arranged	As arranged	Lessors
Security Deposit (See Note 8)	\$5,000	\$13,000	As arranged	As arranged	Lessors
Other Deposits and Licenses (See Note 9)	\$2,700	\$4,600	As incurred	As incurred	Suppliers, vendors and government agencies
Signs (See Note 10)	<del>\$165</del> <u>5</u> ,000	<del>\$27,500</del> <u>10,000</u>	As incurred	As incurred	Suppliers and vendors
Opening Advertising (See Note 11)	<del>\$10</del> <u>20</u> ,000	\$25,000	As incurred	As incurred	Suppliers and vendors
Opening Inventory, Products, Supplies, Smallwares and Training Materials (See Note 12)	\$15,000	\$20,000	As incurred	As incurred	Suppliers, vendors and HBH
CMS Point-of-Sale System (See Note 13)	<del>\$1221</del> <u>1,000</u>	<del>\$1621</del> <u>1,000</u>	As incurred	As arranged	HBH, Suppliers and vendors
Additional Funds (See Note 14)	<del>\$50</del> <u>25</u> ,000	\$50,000	As incurred	As incurred	Employees, lessors and other vendors
Total (See Note 15)	<del>\$581,400</del> <u>514,200</u>	<del>\$876,950</del> <u>829,600</u>			

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR A SEASONAL STORE**

<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method Of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be made (See Note 1)</u>
	<u>Low Range</u>	<u>High Range</u>			
<u>Development Fee (See Note 2)</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>Lump sum</u>	<u>When you sign the Area Development Agreement</u>	<u>HBH</u>
<u>Franchise Fee (See Note 2)</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>Lump sum</u>	<u>When you sign the Franchise Agreement</u>	<u>HBH</u>
<u>Travel and Living Expenses while Training (See Note 3)</u>	<u>\$1,000</u>	<u>\$2,500</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Airlines, hotels and restaurants</u>
<u>Real Estate and Improvements (See Note 4)</u>	<u>\$35,000</u>	<u>\$65,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers and vendors</u>
<u>Architectural (See Note 5)</u>	<u>\$2,000</u>	<u>\$7,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers and vendors</u>
<u>Equipment, Décor and Fixtures (See Note 6)</u>	<u>\$41,000</u>	<u>\$56,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers and vendors</u>
<u>Rent (See Note 7)</u>	<u>\$24,000</u>	<u>\$40,000</u>	<u>As arranged</u>	<u>As arranged</u>	<u>Lessors</u>
<u>Security Deposit (See Note 8)</u>	<u>\$0</u>	<u>\$3,000</u>	<u>As arranged</u>	<u>As arranged</u>	<u>Lessors</u>
<u>Other Deposits and Licenses (See Note 9)</u>	<u>\$2,700</u>	<u>\$4,600</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers, vendors and government agencies</u>
<u>Signs (See Note 10)</u>	<u>\$1,000</u>	<u>\$8,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers and vendors</u>
<u>Opening Advertising (See Note 11)</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers and vendors</u>
<u>Opening Inventory, Products, Supplies, Smallwares and Training Materials (See Note 12)</u>	<u>\$15,000</u>	<u>\$21,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Suppliers, vendors and HBH</u>
<u>CMS Point-of-Sale System (See Note 13)</u>	<u>\$10,500</u>	<u>\$10,500</u>	<u>As incurred</u>	<u>As arranged</u>	<u>HBH, Suppliers and vendors</u>

<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method Of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be made (See Note 1)</u>
	<u>Low Range</u>	<u>High Range</u>			
<u>Additional Funds (See Note 14)</u>	<u>\$5,000</u>	<u>\$13,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Employees, lessors and other vendors</u>
<u>Total (See Note 15)</u>	<u>\$167,200</u>	<u>\$265,600</u>			

The ~~table~~tables above ~~identifies~~identify the estimated initial investment for a newly-developed HoneyBaked Store between 2,000 and 2,600 square feet and a newly-developed Seasonal Store between 800 and 1,500 square feet. The estimated initial investment under your Area Development Agreement should equal the amount in the above tables for each Store you develop.

**Notes:**

1. Payment of Fees. Costs paid to us and our affiliates are not refundable. Whether any costs paid to third parties are refundable will vary based upon the practice in the area where your Store is located and your contracts, if any, with that third party.
2. Development Fee and Franchise Fee. The amount of the Development Fee and the Franchise Fee and the manner in which those fees are paid are explained in detail in Item 5.
3. Travel and Living Expenses While Training. We provide initial training at no charge, but you must arrange and pay for all transportation, lodging, meals and wages for each person who attends the training. These costs will vary depending on the distance traveled and the type of accommodations. If you are developing a Seasonal Store, you will not incur these expenses as the training program will be conducted at your Primary Store.
4. Real Estate and Improvements. You must install flooring, counters, wiring, display shelving and other items, and you must paint the premises as required by the specifications provided by us. The cost will vary depending on the condition of the premises, square footage, lease negotiations and the extent to which your landlord funds leasehold improvements. These costs assume some amount of landlord contribution.
5. Architectural. You must hire an architect designated or approved by us to prepare plans for the Store and to obtain the initial permits required to build out the Store.
6. Equipment, Décor and Fixtures. You must purchase or lease equipment like kitchen equipment, scales, office furniture, a telephone system, security equipment, technology systems, computer hardware and software systems, file cabinets and décor which comply with our specifications.
7. Rent. Typically, Stores require 2,000 to 2,600 square feet of floor space and will be located in shopping centers, but may also be located in freestanding buildings. Seasonal Stores require 800 to 1,500 square feet of floor space and will typically be located in shopping centers. This amount assumes that you will rent the premises for your Store. The estimate includes base rent for three months and does not include common area maintenance, insurance or real estate tax charges. Rental costs vary considerably, depending on the location and local market conditions. Since we cannot

estimate the total cost of purchasing suitable premises for your Store or the amount of the down payment that would be required, this amount does not include the cost of acquiring real estate or constructing a building.

8. Security Deposit. If you lease the premises, your landlord may require a security deposit before you take possession of the premises. This deposit is typically refundable at the conclusion of your lease provided you fulfill certain obligations under the lease.
9. Other Deposits and Licenses. This estimate includes amounts for business licenses, utility deposits and other prepaid expenses that will be required to operate your Store.
10. Signs. The cost of your exterior sign will vary depending upon the size, color, type, letter size and method of installation of the sign and other specifications as may be required in the FOM, by your landlord or by local codes. This estimate includes installation of the sign, but excludes shipping. [If you choose to add additional exterior signs, you will incur these costs for each sign.](#)
11. Opening Advertising. You must spend a minimum of ~~\$10~~20,000 on your opening advertising. Media costs may vary considerably between markets. These costs are in addition to any regional, national or local advertising or marketing contributions required by the Franchise Agreement.
12. Opening Inventory, Products, Supplies, Smallwares and Training Materials. You should have this amount available for you to purchase your Store's initial inventory of specialty hams, turkey, other protein products such as pot roast, BBQ roast and ribs, side dishes, desserts, condiments, bags, boxes and other paper and plastic supplies, lunch products including drinks, bread and produce. Costs will vary depending on the time of year that you open your Store.
13. CMS Point-of-Sale System. This estimate includes the cost of our proprietary CMS Point-of-Sale system [including four registers](#) as described in Item 8 that you must purchase from us. [Seasonal Stores only need two registers.](#) The costs of required third-party software licenses also are included in this estimate. The costs for travel and installation by us or others, if required, are not included in this estimate. You also must pay the CMS Support and Licensing Fee due under the CMS Support Agreement as described in Item 6.
14. Additional Funds. You should have this amount available for you to cover employee salaries, utilities and other operating expenses. The figures above are our best estimate for covering your ongoing expenses. Your costs will vary depending on how rapidly your business grows, the size of your Store; how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for Stores; the prevailing wage rate; competition; and the sales level reached during the initial period. If you obtain financing for your development costs, the amount of your initial investment also may depend on the terms of certain covenants in your financing documents, which may require you to maintain specific debt-to-equity or other ratios.
15. Total. We have relied on ~~26~~27 years of experience in the retail store franchise business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

**ITEM 8**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Inventory.** The Marks, System and trade secret recipes and process for producing and finishing the specialty hams are an essential and integral part of the franchise rights that we grant to you under the Franchise Agreement. The trademark “Honey Baked Ham” is one of the Marks that represents the specialty hams. The sale of substandard products would dissipate the goodwill of the Marks. Therefore, specialty hams and turkey breasts must be purchased from us or our designated supplier and not from any other source. You will place your orders for specialty hams and turkey with us and we will direct our suppliers to fulfill your orders.

You must purchase all inventory (including food and non-food items, for example condiments, side items, premium desserts, produce, cleaning materials, packaged goods and beverage products) from suppliers designated or approved in advance by us. If you propose to purchase any inventory from suppliers not designated or approved in advance by us, you must submit a written request to us. We may require that our representatives be permitted to inspect the supplier’s facilities and that samples from the supplier be delivered to us or our designee without charge for testing. We may require you to pay a charge for the cost of such inspection and testing. The supplier must demonstrate to us the existence of quality controls, the ability to protect our proprietary information and recipes and the financial and managerial capacity to supply your needs promptly and reliably. We will notify you in writing within a reasonable time frame as to whether you are authorized to purchase such items from that supplier. We have the right to approve or reject your request to use an alternate supplier in our sole discretion. We may also reinspect the facilities and retest the products of any approved supplier and revoke our approval. Upon written notice from us, you must immediately cease using any supplier we no longer approve.

With respect to any inventory you purchase through us (including specialty hams) the purchase price will include a payment for our services in procuring, handling and delivering the products and a profit for us.

Our specifications and quality standards will be stated in the FOM, an electronic copy of which will be supplied to you, or otherwise communicated to you through the internet. We may, at any time, in our discretion change, delete or add to any of our specifications or quality standards. These changes, deletions or additions may affect your obligations, and may require additional expenditures. However, any changes, deletions or additions will be uniform for all similarly situated franchisees.

**Insurance.** You must obtain insurance in the forms and minimum amounts that we specify. You must obtain your insurance from an insurance company or carrier that is qualified to sell insurance in the state in which your Store is located and is rated A-VIII or better by A.M. Best & Company, Inc. You must submit to us a copy of the certificate of insurance for all insurance policies on an annual basis. The required policies currently include the following:

(a) Property insurance equal to 100% of replacement cost basis covering your tangible assets and business personal property on all-risk basis (special peril form). If your Store is in a designated flood-prone area (A, B, & V zones) and area available for windstorm policies, you must obtain flood and windstorm insurance at limits equal to the lesser of the following: (1) property value; or (2) the maximum value allowed by the state in which the Store is located. All deductibles must be approved by us and are subject to locality and market conditions.

(b) Commercial General Liability insurance with a minimum limit of \$1,000,000 per occurrence for Bodily Injury and Property Damage Liability with a general aggregate limit of \$2,000,000 (including, but not limited to, premises liability, products liability, completed operations liability, personal

injury liability, advertising injury liability, blanket contractual liability, and medical payments) on a following from basis.

(c) Business Income insurance equal to 12 months revenue on an “actual loss sustained” basis.

(d) Umbrella Liability policy with a minimum limit of \$1,000,000 (including, but not limited to, premises liability, products liability, completed operations liability, personal injury liability, advertising injury liability, broad form contractual liability, and medical payments).

(e) Automobile Liability insurance with a minimum limit of \$1,000,000 on a symbol 1 basis covering any owned automobile (including owned, hired and non-owned vehicle coverage).

(f) Workers’ Compensation insurance (in your name) as required by applicable law, including employer’s liability with a minimum limit of \$500,000 for each person for disease, \$500,000 for each person by accident and \$500,000 for each accident maximum. If the minimum attachment point for the umbrella liability policy is a limit greater than \$500,000, then the employer’s liability limit must meet the umbrella requirement. If no such law exists, then you must obtain such worker’s compensation insurance as required by us.

(g) Cyber Liability insurance with a minimum limit of \$1,000,000 to include coverage for business interruption loss, cyber extortion, data recovery costs and data and network liability.

We may increase the minimum liability limit protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in litigation or other relevant changes in circumstances.

**Real Estate.** You may not enter into a lease or purchase agreement for the premises for your Store until we have accepted the location of the premises in writing, which acceptance may be arbitrarily withheld. In addition, you must submit for our acceptance a site plan and any modifications to our specifications for the Store. The construction of the premises must be completed according to our specifications within ten months after signing the Franchise Agreement. Any lease or similar encumbrance with respect to the premises must include, among other things, a provision permitting you to assign your interest in the premises to us when your Franchise Agreement expires or terminates. Our required form of Addendum to Lease is attached as Exhibit C to the Franchise Agreement. In addition, such lease or similar encumbrance must provide that you will have adequate parking available for a refrigerated truck within close proximity to your Store.

You must construct your Store with the assistance of contractors and architects designated or approved by us. You also agree to use in the construction and operation of the Store only those brands or types of construction and decorating materials, fixtures, equipment, furniture and signs that we have approved. You may purchase approved brands and types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by us. If you propose to purchase any brand or type of construction or decorating material, fixtures, equipment, furniture or sign not then-approved by us, or propose to purchase any of these items from a supplier which is not then-approved by us, you must first notify us in writing. We may require submission of specifications, photographs, drawings and other information to determine whether this brand or type of construction or decorating material, fixture, equipment, furniture or sign complies with our specifications and standards, or whether a supplier meets our approved supplier criteria. The supplier must demonstrate to us the existence of quality controls and the financial and managerial capacity to supply your needs promptly and reliably. We will advise you within a reasonable time whether a proposed item or supplier meets our specifications.

**Advertising.** Any advertising or marketing materials not prepared or previously approved by us must be submitted to us at least two weeks before any publication or run date for approval, which approval may be arbitrarily withheld. All advertising and promotion must be factually accurate and shall not detrimentally affect the Marks or the System. In addition, you must agree that all products will be marketed to the public as high-end premium products to protect and enhance the image and goodwill of the HoneyBaked brands, the Marks and the System.

We may, in our sole discretion, withhold approval of any advertising or marketing materials if we determine that the materials do not fit within our promotional concept for the System or that the advertising materials may be damaging to the System. We will provide you with written notification of our approval or disapproval within a reasonable time. You must discontinue your use of any approved advertising within five days after your receipt of a request from us to do so.

**CMS Point-of-Sale System.** You must purchase or lease an approved point-of-sale system for the Store from us or an approved supplier, as specified by us and, from time to time, at our request, update or replace the computerized point-of-sale system, including the point-of-sale software. Currently, all HoneyBaked Stores are required to use our proprietary CMS Point-of-Sale system and related software. The CMS Point-of-Sale system and software is the proprietary property of HBH Co. Through an arrangement with HBH Co. we are the sole supplier of these items to you. You will sign the CMS Support Agreement attached as Exhibit M and pay an ongoing annual CMS Support and Licensing Fee as set forth in Item 6. If we designate a new point-of-sale system and/or software systems, you will be required to replace your CMS Point-of-Sale system and related software with the then-current point-of-sale system and software used by HoneyBaked Stores.

**[Gift Card and Electronic Money Programs. You must participate in our programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase software, hardware, blank cards, and additional equipment. You must pay periodic and per-swipe transaction and commission fees as may be required by the vendor or reseller of the programs.](#)**

**Online Catering Program.** You must participate in our online catering program. At this time, there is no fee to participate in the program; however, in the future we may require you to pay a monthly fee to us or a third-party vendor that we designate to administer the program.

**Customer Loyalty Program.** You must participate in our customer loyalty program and comply with our and our third-party service provider's requirements for the program including providing discounts or complimentary products to participants. You may not use any customer reward or recognition program or collect any participant data outside of our customer loyalty program. The administrative costs of the customer loyalty program are currently paid for out of the Advertising Fund; however, we reserve the right to charge you reasonable participation fees for your Store.

**Customer Satisfaction and Franchise Compliance Programs.** You must participate in programs that we require from time to time regarding customer satisfaction or your compliance with the System, which may include (but are not limited to) a guest feedback hotline, guest survey programs, mystery shopping, or other programs that we may require. We shall share the results of these programs, as they pertain to the Store, with you. We may set minimum score requirements for these programs that your Store must meet. You may be required to pay for all costs related to the Store associated with any such programs.

\* \* \* \*

We negotiate special purchasing arrangements with various distributors and suppliers for the benefit of our franchisees and, in exchange, we may receive fees, rebates, commissions, royalties, or other consideration from approved suppliers based on sales to franchisees. These rebates and commissions are usually based on the amount of product ordered or shipped. Generally, the amount ranges from \$0.01 to \$0.0206 per pound; \$0.20 per case, or .75% to 1.5% of annual purchases. We also participate in a group purchasing organization that pays us rebates based on volume purchases when their contracted price with a supplier is better than the supplier's charge. In our last fiscal year, these rebates ranged from \$0.03 per case to ~~\$9.72~~14.25 per case of the product purchased. We have sole discretion over how we will utilize any monies paid to us by approved suppliers.

We will receive revenues and profits from your purchases of specialty hams. During our last fiscal year which ended September ~~29, 2024~~28, 2025, our total revenues were ~~\$22,186,182~~21,813,000, of which ~~\$2,622,545~~862,000 (or approximately ~~11.8~~13%) was generated from the sale of specialty hams.—

We estimate that purchases and leases you will make from approved suppliers or as required by our specifications will represent 95% or more of your total cost to establish and to operate your Store. We will not provide any material benefit to you (for example, renewal or granting additional franchises) based on your use of designated or approved sources.

None of our officers or directors has an ownership interest in any supplier to the System.

We do not have any purchasing or distribution cooperatives.

## **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 the agreements and in other items of this disclosure document.**

	<b>Obligation</b>	<b>Section In Franchise Agreement (FA)<del>and</del> Area Development Agreement (ADA) <u>and Seasonal Store Addendum (SSA)</u></b>	<b>Item In Disclosure Document</b>
(a)	Site selection and acquisition/lease	FA: 5 ADA: Not Applicable <u>SSA: Not Applicable</u>	7, 8, 11 and 12
(b)	Pre-opening purchases/leases	FA: 5.2 and 10.9 ADA: Not Applicable <u>SSA: Not Applicable</u>	7 and 8
(c)	Site development and other pre-opening requirements	FA: 5 ADA: Not Applicable <u>SSA: Not Applicable</u>	6, 7, 8 and 11
(d)	Initial and ongoing training	FA: 12 ADA: Not Applicable <u>SSA: 4</u>	6, 7, and 11
(e)	Opening	FA: 5.5 ADA: Not Applicable <u>SSA: Not Applicable</u>	6, 7 and 11

	<b>Obligation</b>	<b>Section In Franchise Agreement (FA) and Area Development Agreement (ADA) and Seasonal Store Addendum (SSA)</b>	<b>Item In Disclosure Document</b>
(f)	Fees	FA: 3.2, 7, 10.9(d), 10.11, 11.2(e), 12.2, 12.3, 12.4, 13.1(c), 13.1(d), 13.2 (a), 13.3(c), 14.3(h), 16.2(d), 16.3-16.5, 17.4, 20.3, 20.4(i), 20.5(d) and 21.5 ADA: 3, 5 and 9.4(i) <a href="#">SSA: 5, 6, and 7</a>	5, 6, 7 and 11
(g)	Compliance with standards and policies/FOM	FA: 5, 6, 8(e), 9, 10, 11, 12,13, 16 and 18 ADA: 5 <a href="#">SSA: 1</a>	8 and 11
(h)	Trademarks and proprietary information	FA: 1, 4.2, 9, 10 18.5 and Exhibit B ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	13 and 14
(i)	Restrictions on products/services offered	FA: 1, 4.2, 10.4, 10.9 and 10.14 ADA: Not Applicable <a href="#">SSA: 1</a>	8 and 16
(j)	Warranty and customer service requirements	FA: 10.1, 12.3 and Exhibit B ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	11
(k)	Territorial development and sales quotas	FA: 4 ADA: 2 and 5 <a href="#">SSA: Not Applicable</a>	12
(l)	Ongoing product/service purchases	FA: 10.4, 10.9 and 10.14 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	8 and 16
(m)	Maintenance, appearance and remodeling requirements	FA: 5, 6, 10.5, 10.8 and 10.15 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	7 and 11
(n)	Insurance	FA: 14.3 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	6 and 8
(o)	Advertising	FA: 4.3 and 13 ADA: Not Applicable <a href="#">SSA: 5 and 6</a>	6, 7 and 11
(p)	Indemnification	FA: 14.2 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	Item 6
(q)	Owner's participation/management/staffing	FA: 10.2, 12.2 and 12.3 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	11 and 15
(r)	Records and reports	FA: 11 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	6
(s)	Inspections and audits	FA: 9.5, 10.8, 11.2 and 16.1 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	6, 8 and 11

	<b>Obligation</b>	<b>Section In Franchise Agreement (FA)<del>and</del> Area Development Agreement (ADA) <u>and Seasonal Store Addendum (SSA)</u></b>	<b>Item In Disclosure Document</b>
(t)	Transfer	FA: 20 ADA: Section 9 <a href="#">SSA: Not Applicable</a>	6 and 17
(u)	Renewal	FA: 3 ADA: Not Applicable <a href="#">SSA: 3</a>	6 and 17
(v)	Post-termination obligations	FA: 5.2, 9.1, 9.2(e), 10.15, 14.2, 16.3 – 16.5 and 17 ADA: Not Applicable <a href="#">SSA: Not Applicable</a>	Item 17
(w)	Noncompetition covenants	FA: 18 ADA: 7 <a href="#">SSA: Not Applicable</a>	Item 17
(x)	Dispute resolution	FA: 21.5 - 21.11 ADA: 10.5 - 10.11 <a href="#">SSA: Not Applicable</a>	Item 17

**ITEM 10**  
**FINANCING**

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

**ITEM 11**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING,  
COMPUTER SYSTEM AND TRAINING**

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

**Our Obligations Before Opening.**

In connection with the establishment and opening of your Store, we will:

(1) Provide demographic data relating to a designated Site Selection Area and review your proposed sites within the Site Selection Area. (Franchise Agreement, Section 5.1)

(2) For any leased site, review your lease prior to execution to ensure that you and your landlord have included our standard lease requirements. (Franchise Agreement, Section 5.2)

(3) Provide you with prototypical plans and specifications, including requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, décor, fixtures, furnishings, equipment, color scheme and signs. You must prepare and submit for our acceptance a site plan and any modifications to the basic plans and specifications. (Franchise Agreement, Sections 5.3(a), 5.4 and 8(a))

(4) If applicable, review your proposed site location, site plans, final construction plans and specifications, and layout for conformity to the construction standards and specifications of the System. (Franchise Agreement, Section 8(b))

(5) Provide you and your Store Operator (or, if you or one of your owners serves as the Store Operator, one additional key employee who will be actively involved in the management or operation of the Store) with our initial training program. The hours and days of instruction for the initial training program may not be consecutive. Your Store Operator and your key employee must successfully complete the initial training program. We will not charge you a training fee for this training program; however, you must pay the costs and expenses (such as room, board, and transportation) for each person who attends the training program. If additional training sessions are required, you may be charged for training. (Franchise Agreement, Sections 8(c) and 12.1)

(6) If applicable, provide you with opening assistance from our personnel, including the planning and developing of pre-opening promotional programs. (Franchise Agreement, Section 8(d))

(7) Provide electronic access to the FOM after you complete the initial training program. A copy of the table of contents of the FOM is attached as Exhibit G. As of the issuance date of this disclosure document, the FOM is composed of ~~195~~199 pages. (Franchise Agreement, Sections 8(e) and 10.1)

### **Our Obligations After Opening.**

During the operation of your Store, we will:

(1) Provide you with appropriate merchandising, marketing and other data and advice as we develop and deem helpful in the operation of your Store. (Franchise Agreement, Section 8(f))

(2) Provide you with periodic continuing individual or group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins, as we may deem necessary or appropriate. (Franchise Agreement, Section 8(g))

(3) Provide bulletins, brochures and reports that we publish regarding our plans, policies, research, developments and activities. (Franchise Agreement, Section 8(h))

(4) Provide other resources and assistance that we develop for franchisees. (Franchise Agreement, Section 8(i))

(5) Determine whether to revise the contents of the FOM to implement new or different operating requirements applicable to all HoneyBaked Stores. We may also offer you guidance on prices as permitted by applicable laws. (Franchise Agreement, Section 10.1)

(6) Inspect the operations and facilities at your Store. (Franchise Agreement, Section 10.8)

(7) If you propose to purchase any items from any supplier not designated or approved by us, test the food product or other item of that supplier to determine whether the supplier meets with our standards and specifications, and otherwise evaluate and approve suppliers. (Franchise Agreement, Section 10.9)

(8) Provide you with designated suppliers from whom you will purchase specialty hams and turkey breasts. We may also offer other items for your purchase, at your option. (Franchise Agreement, Section 10.9)

(9) If you request and if personnel are available, we will send a representative to provide on-site training to you, your Store Operator, and management personnel at your Store. (Franchise Agreement, Section 12.2) We may conduct additional training programs at our headquarters or other locations that we

select. We may require you to attend the additional training programs and pay the reasonable costs of the programs, as well as the travel and living expenses for those persons attending the training. (Franchise Agreement, Section 12.3)

(10) Provide additional training and support with respect to the operation of your Store at conferences that we may offer from time to time. (Franchise Agreement, Section 12.4)

(11) Evaluate any advertising and marketing materials you submit which we have not prepared or previously approved. (Franchise Agreement, Section 13.1(a))

(12) Collect, administer, and spend for advertising purposes monies paid to any national, regional or local advertising fund. (Franchise Agreement, Section 13.2)

### **Site Selection**

We do not select the site for your Store. You select the site, subject to our acceptance, in the Development Area. We will provide you with demographic data related to the Development Area. You must research, locate and evaluate prospective sites for your Store within the Development Area. You must submit, for our review, a request for site acceptance and other information that we request for the first Store under your Area Development Agreement within 60 days after the effective date of the Area Development Agreement. We will notify you of our acceptance or rejection of each site within 30 days of site submittal, provided you have submitted all necessary documents for approval. In evaluating a site, we may consider factors such as size, appearance and other physical characteristics of the premises along with demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics. We will review one or more additional proposed sites for a Store in the event your initial proposed location is rejected. If you and we are unable to agree upon a site for a Store by the Site Acceptance Deadline in the Development Schedule, then we have the right to terminate the Area Development Agreement and we will not refund any portion of the Development Fee.

You may not open a Store at a site that we have not accepted. The site for a Store may be leased or owned by you; however, you should not lease or purchase the site until we have accepted the site in writing. Our acceptance of a proposed site shall not constitute a warranty or guarantee of any kind as to the potential success of your Store at that site. We are not responsible for the success of your Store and we do not guarantee that an accepted site will meet your expectations as to the potential revenue or operational criteria.

If you sign an Area Development Agreement to develop multiple Stores, we will review and approve each site in accordance with the policies that we have in place at the time that you submit the site to us, which may differ from the procedures set forth above.

You must complete the construction of your Store and have your store ready to open within a reasonable time after obtaining possession of the site. If you do not do so by the opening deadline in your Development Schedule, then we may terminate your Franchise Agreement and retain the Franchise Fee.

### **Time Between Signing and Opening**

We estimate that the typical length of time between the signing of a Franchise Agreement and the opening of a HoneyBaked Store is approximately five to ten months. The factors which affect the time it takes to open your Store for business include: the selection of a suitable location; the ability to negotiate a lease or purchase contract for the location; [landlord delivery](#); the difficulty in obtaining building permits;

permitting delays; zoning and local ordinances; vendor scheduling; weather conditions; shortages; and delayed installation of equipment, fixtures and signs.

**Training**

Below is a description of our initial training program as of the date of this disclosure document. Training programs are subject to change as procedures and processes change. Current training standards are located in the FOM. After signing the Franchise Agreement, your initial training will be broken into three key phases. All training must be successfully completed, in our sole opinion, before you may open your Store for business. We will conduct the training program as often as we deem necessary, but at least annually. A minimum of two individuals, including you (or one of your owners if you are a business entity) and your Store Operator (unless you or one of your owners will serve as the Store Operator) must complete the training program to our satisfaction by a date that we specify. You may choose one additional key employee (such as a District Manager or Store Manager) who will be actively involved in the management or operation of the Store to also complete our training program. All participants in our training program must sign our Training Participation and Nondisclosure Agreement attached as Exhibit H. We do not charge for this training; however, you must pay the travel and living costs and expenses for your trainees. Additional training may also be required and you may be charged for it.

*Phase One ServSafe*

~~The first phase of training includes~~ You must complete the ServSafe program ~~as well as two days of in-person onboarding at the Customer Support Center in Alpharetta, Georgia. The ServSafe program, which~~ is our approved food safety and sanitation program, prior to opening your Store. This program is designed to prepare you and your trainees with a foundational knowledge of food safety, standards and procedures. This program is part of the National Restaurant Association Educational Foundation. Program information can be found by going to [www.servsafe.com](http://www.servsafe.com). In addition, you should speak with your local health department to confirm if there are any local food safety classes your trainees should attend. During this critical training, your trainees will learn about foodborne illness, how to prevent it and how to train employees in food sanitation. You must provide us with a copy of your trainees’ ServSafe certificate verifying that they satisfactorily completed the ServSafe program. ~~Your onboarding will include training sessions with various support team associates at the Customer Support Center. You (or one of your owners if you are a business entity) and the Store Operator must attend the onboarding session. You will be responsible for all travel, accommodations, and related expenses incurred during this phase of training.~~

**TRAINING PROGRAM**

**PHASE ONE**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
<del>Food Safety / ServSafe®</del>	<del>8</del>	<del>0</del>	<del>Your Chosen Location</del>
<del>Menu, Retail Sales, Production Ops</del>	<del>4</del>	<del>0</del>	<del>Alpharetta, GA (or Virtually if available)</del>
<del>Supply Chain, Information Technology</del>	<del>2</del>	<del>0</del>	<del>Alpharetta, GA (or Virtually if available)</del>
<del>Marketing, Financial, Reporting, Legal Training</del>	<del>4</del>	<del>0</del>	<del>Alpharetta, GA (or Virtually if available)</del>

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
New Store Opening tasks including Construction, Project Management, and Visiting a Corporate Store	4	0	Alpharetta, GA (or Virtually if available)
Misc Operational Activities	2	0	Alpharetta, GA (or Virtually if available)
One-on-One Time with FBL	8	0	In Person at a Location TBD (or Virtually if available)
<b>Total</b>	<b>32</b>	<b>0</b>	

*Phase ~~Two~~One*

The ~~second~~first phase of training ~~is~~includes the completion of virtual learning via [HoneyBaked Learning](#), our learning management system, and a 15-day in-store and hands-on training program that you (or one of your owners if you are a business entity) and the Store Operator must attend at an existing Honey Baked Ham Certified Training Store, which are located across the country. The 15-day period may be extended if your trainees fail to successfully complete the program, in our sole discretion, based on our Training Checklist. During this phase, an experienced manager or franchisee will provide your trainees with on-the-job training where they will participate in all day-to-day activities of a store associate. They will learn the basics of retail sales, lunch and catering sales and operations, product quality, food safety and sanitation, marketing, point-of-sale systems, production and other key areas. You will be responsible for all travel, accommodations, and related expenses incurred during this phase of training. If the training store is owned by a franchisee, we may compensate the franchisee for making its facility, manager and staff available. Your trainees will be required to complete to our satisfaction all requirements of Phase ~~Two~~One training as outlined in the FOM.

**TRAINING PROGRAM**

PHASE ONE

<u>Subject</u>	<u>Hours of Classroom/Virtual Training</u>	<u>Hours Of On-The-Job Training</u>	<u>Location</u>
<u>Food Safety &amp; Quality Assurance</u>	<u>.5</u>	<u>5</u>	<u>Virtual and Certified Training Store</u>
<u>HoneyBaked Products and Menu</u>	<u>1.5</u>	<u>3</u>	<u>Virtual and Certified Training Store</u>
<u>Front of House, Retail Sales, Lunch Sales &amp; Operations</u>	<u>2.5</u>	<u>25</u>	<u>Virtual and Certified Training Store</u>
<u>Middle of House</u>	<u>2</u>	<u>6</u>	<u>Virtual and Certified Training Store</u>
<u>Back of House, Production</u>	<u>4</u>	<u>28</u>	<u>Virtual and Certified Training Store</u>

<u>Subject</u>	<u>Hours of Classroom/Virtual Training</u>	<u>Hours Of On-The-Job Training</u>	<u>Location</u>
<u>Catering Operations &amp; Sales Building</u>	<u>.5</u>	<u>5</u>	<u>Virtual and Certified Training Store</u>
<u>Opening/ Closing Activities</u>	<u>0</u>	<u>10</u>	<u>Certified Training Store</u>
<u>Administration &amp; Reporting</u>	<u>1</u>	<u>21</u>	<u>Virtual and Certified Training Store</u>
<u>Inventory, SKU Management</u>	<u>0</u>	<u>5</u>	<u>Certified Training Store</u>
<u>Total</u>	<u>12</u>	<u>108</u>	

Phase Two

The second phase of training includes three days of in-person onboarding and virtual learning. Your onboarding will include training sessions with various support team associates. You (or one of your owners if you are a business entity) and the Store Operator must attend the onboarding session. You will be responsible for all travel, accommodations, and related expenses incurred during this phase of training.

TRAINING PROGRAM

**PHASE TWO**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
<del>Safety</del>	<del>0</del>	<del>3</del>	<del>Certified Training Store</del>
<u>Food Safety &amp; Quality Assurance</u>	<u>01</u>	<u>30</u>	<u>Certified Training Store Alpharetta, GA</u>
<del>HoneyBaked Products and Menu</del>	<del>0</del>	<del>6</del>	<del>Certified Training Store</del>
<u>RetailB2B Sales</u>	<u>01</u>	<u>200</u>	<u>Certified Training Store Alpharetta, GA</u>
<u>Sandwich / Lunch Operations Marketing, LSM, Digital</u>	<u>01.5</u>	<u>200</u>	<u>Certified Training Store Alpharetta, GA</u>
<u>Learning &amp; Development</u>	<u>1</u>	<u>0</u>	<u>Alpharetta, GA</u>
<u>Procurement &amp; Distribution</u>	<u>1</u>	<u>0</u>	<u>Alpharetta, GA</u>
<del>Register Operations</del> <u>Design &amp; Construction</u>	<del>0.5</del>	<del>50</del>	<del>Certified Training Store</del> <u>Alpharetta, GA</u>
<del>Production Operations</del> <u>Support &amp; Innovation</u>	<del>01</del>	<del>200</del>	<del>Certified Training Store</del> <u>Alpharetta, GA</u>
<u>Customer Service, OLO, Merchandising</u>	<u>1</u>	<u>0</u>	<u>Alpharetta, GA</u>
<u>Accounts Receivable</u>	<u>1</u>	<u>0</u>	<u>Alpharetta, GA</u>

Subject	Hours of Classroom Training	Hours Of On-The-Job Training	Location
<a href="#">Ham 101, Sensory Eval</a>	<u>1</u>	<u>0</u>	<a href="#">Alpharetta, GA</a>
<a href="#">Franchise Advisory Council Intro</a>	<u>.5</u>	<u>0</u>	<a href="#">Alpharetta, GA</a>
<a href="#">Information Technology</a>	<u>1</u>	<u>0</u>	<a href="#">Alpharetta, GA</a>
<a href="#">Intranet, Vendor Sites</a>	<u>.5</u>	<u>0</u>	<a href="#">Alpharetta, GA</a>
<del>Catering-General Store Opening and Operations and Sales Planning</del>	<del>01</del>	<del>80</del>	<del>Certified Training Store</del> <a href="#">Alpharetta, GA</a>
<del>Opening / Closing Activities One-on-One Time with FBL</del>	<del>08</del>	<del>100</del>	<del>Certified Training Store</del> <a href="#">In Person at a Location TBD (or Virtually if available)</a>
<del>SKU Management</del>	<del>0</del>	<del>4</del>	<del>Certified Training Store</del>
<del>Virtual Store Training</del>	<del>0</del>	<del>4</del>	<del>Certified Training Store</del>
<del>Training Materials</del>	<del>0</del>	<del>4</del>	<del>Certified Training Store</del>
<del>Inventory / Purchasing</del>	<del>0</del>	<del>4</del>	<del>Certified Training Store</del>
<del>Administrative Procedures / Reporting</del>	<del>0</del>	<del>9</del>	<del>Certified Training Store</del>
<b>Totals</b>	<b><u>021</u></b>	<b><u>1200</u></b>	

### Phase Three

The third phase of training consists of on-site pre-opening training leading up to your Store opening where you and your Store Operator will train and prepare your Store for opening day. Pre-opening training will be facilitated by ~~one of our Franchise Business Leaders~~, a Field Operations Trainer, and other opening support staff as deemed necessary. The training will occur ~~over a seven-day period~~[leading up to and through your Store opening date](#). It is your responsibility to train your associates using the training tools and systems that we approve before we approve the opening of the Store. All training required for the opening of your Store must be successfully completed to our satisfaction within 24 to 48 hours of the Store opening.

## TRAINING PROGRAM

### PHASE THREE

Subject	Hours of Classroom Training	Hours Of On-The-Job Training	Location
Store Opening Training Activities and Assistance	0	50-70	Your Store Location
<b>TOTAL</b>	<b>0</b>	<b>50-70</b>	

Refresher Training. If your Store will open more than 75 days after your trainees have completed Phase Two of the training program, we require that your trainees attend an additional one-week training program at an approved Honey Baked Ham Certified Training Store before the opening of your Store. You must pay the reasonable costs of the refresher training program and all travel, living and other related costs incurred by your trainees.

Seasonal Store Training. In lieu of the initial training program described above, you will conduct a training program for the Store Operator and all employees of your Seasonal Store at the Primary Store. Any such training program shall meet the requirements set by us in the FOM.

Additional Training. In addition to our comprehensive new owner and pre-opening training program, we offer continuing education opportunities throughout the year. These include webinars on a variety of topics relevant to your Store, such as sales, systems, labor, and more. We may conduct additional training programs at our headquarters or other locations that we select. We may require you to attend the additional training programs and pay the reasonable costs of the programs, as well as for travel and living expenses for those persons attending the training. Ongoing training in areas like cost control, sales and marketing, training, holiday execution, administration and customer service may be offered by us throughout the year.

The training program is administered by the following individuals:

Name	Position or Title	Years of Training Experience with Us And Our Affiliates	Years of Training Experience with Other Companies
Lisa Hubbert	Senior Training Manager	<del>14</del> 15	17
Mike Mosley	Field Operations Trainer	<del>14</del> 15	0
Lindsay Cabanski	Field Operations Trainer	<del>9</del> 10	0
Jose Reyes	Field Operations Trainer	<del>10</del> 11	0

### **Conferences**

You may be required to attend conferences, including our franchise convention, which provide networking opportunities and informational sessions covering sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising and holiday-readiness programs and merchandising procedures. The convention is designed to provide you with learning opportunities that will ultimately help you profitably grow your business. We may charge a reasonable registration fee. You are responsible for your and your employees’ travel, lodging and dining expenses to attend the convention and any conferences that we offer.

### **Advertising**

#### Monthly Marketing Obligation

During the term of the Franchise Agreement, you will have a monthly advertising obligation in an amount up to 5% of the net sales of your Store, which shall be comprised of your local advertising expenditure, Advertising Fund contribution, and/or contribution to an advertising cooperative (“Monthly Advertising Obligation”). Our current Monthly Advertising Obligation requirements are described in Item 6. Following 30 days’ prior written notice, we may increase and reallocate the Monthly Advertising Obligation among your local advertising expenditure, the Advertising Fund, and an advertising cooperative.

### Advertising Fund

In addition to amounts payable for local advertising as described below, we administer a national advertising fund (“Advertising Fund”) in which you must participate and to which you must contribute on a monthly basis. This money is paid to us together with your royalty payments. Any advertising program or campaign we develop may include dissemination of advertising through print, radio, television, point-of-purchase materials or other media. This coverage may be local, regional or national in scope.

We may employ an advertising agency or other agency to assist in the development, production and dissemination of advertising materials, or we may hire personnel to perform these functions. We may charge all costs of the formulation, development and placement of advertising and promotional materials to the Advertising Fund. Those costs will include the proportionate compensation of our employees who devote time and render services for advertising and promotion or for the administration of the Advertising Fund. We have no obligation to spend any amount on advertising in the area where your Store is located.

It is anticipated that all of our franchisees will contribute to the Advertising Fund at the same rate, although the contribution rate of future franchisees may be higher, and certain exceptions may be made in unusual circumstances. The Advertising Fund will provide creative production of advertising and promotional materials to which you will have access. Company-Owned Stores do not contribute to the Advertising Fund.

We will administratively segregate contributions to the Advertising Fund on our books and records, but may deposit these amounts in our general operating account. The contributions may be commingled with our other funds and may be deemed an asset of ours, subject to our obligation to spend the contributions as required by the Franchise Agreement. There is no fiduciary relationship or trust relationship created by our administration of the Advertising Fund.

During our last fiscal year, Advertising Fund expenditures were made in the following amounts: ~~59.5~~65.7% on media placement; ~~14.0~~8.4% on agency fees; ~~14.2~~13.1% on the production of point of purchase materials; and ~~12.3~~8% on administrative expenses.

We will provide you with an annual accounting of receipts and disbursements upon request. If all contributions are not spent in the year they are received, they will remain in the Advertising Fund for expenditure the following year. We will not make expenditures from the Advertising Fund for advertising that is principally a solicitation for the sale of Franchises.

We may determine the composition and geographic scope of the Advertising Fund. We may also terminate the Advertising Fund upon 30 days’ written notice for any reason, but the Advertising Fund will continue until all amounts contributed to the fund have been expended for advertising and promotional purposes. We will choose the concepts, materials and media used in any advertising or promotional activity funded by the Advertising Fund.

### Local Advertising Requirements

You ~~will be required to~~must spend ~~an amount~~at least \$20,000 prior to and within 90 days of opening your Store on pre-opening and grand opening local advertising as prescribed in the FOM, ~~which currently is \$10,000~~. You must also meet your local advertising expenditure requirement. This money is not collected by or paid to us. The following expenditures do not satisfy your local advertising obligation: the cost of incentive programs such as honoring coupons, food costs incurred in honoring sales

promotions, salaries, contributions or donations, press parties, in-store fixtures or equipment, travel, non-promotional collateral materials, including but not limited to menus, serving guides and nutritional facts, travel, seminar and educational costs, specialty items such as t-shirts and awards, yellow page advertisements, or exterior signage. You may be required to provide us with copies of invoices documenting your expenditures at least quarterly. If you do not make required advertising expenditures, we may require you to submit a written plan describing how you intend to spend the deficiency within six months. If you do not follow the plan, we may make these expenditures for you and you must reimburse us for these expenditures.

We may develop and procure local advertising and marketing plans and materials, including, without limitation, newspaper ads, radio commercial tapes, television commercial prints, sales aids and other promotional and marketing materials. If you choose to purchase these materials from us, we may charge you an amount for these materials sufficient to cover our costs and expenses incurred in developing or procuring these advertising materials. We will determine the advertising materials (as to kind and quality) to be offered to you. You may also purchase these advertising materials from an approved third party.

If you wish to use advertising materials that we have not provided or previously approved, you must submit these materials to us for approval at least two weeks before any publication or run date. We will notify you of our approval or disapproval of the advertising within a reasonable time. You must discontinue use of the advertising within five days after you receive a request from us to do so. All of your advertising must be factually accurate and must not detrimentally affect the Marks or the System. You must advertise products as high-end premium products to protect and enhance the image and goodwill of the Marks and the System.

You may only advertise your products in your Protected Territory (as defined in Item 12), and you may not conduct any advertising outside of your Protected Territory without our prior written consent, which may be arbitrarily withheld. We and our affiliates may advertise within the Protected Territory for sales to locations within and outside of the Protected Territory and others may advertise within the Protected Territory for sales that take place outside of the Protected Territory.

You must participate in and maintain a Store website through the website located at HoneyBaked.com. All internet, web marketing and advertising efforts adopted by you must promote your Store website or Store location and must be approved in advance by us in writing. Unless we have agreed to it in writing, you may not register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address mobile application, or other electronic, mobile or internet presence that uses or displays any of the Marks (or any derivative of the Marks) or that promotes any products or services of the Store. We will use your Technology Fee to develop and launch your Store website and for the ongoing updating and maintenance costs associated with such website. We also will use the Technology Fee to support our Store Locator service, third-party and/or internal delivery platforms, online ordering services and other technological advances. We reserve the right to increase the Technology Fee at any time and the increase shall be effective no sooner than 30 days after we notify you of the increase in writing.

#### Advertising Cooperatives

We may develop one or more advertising cooperatives (which may include one or more regions) to determine the concepts, materials and media to be utilized in any advertising or promotional activity paid for by the cooperative. We may also require the cooperative to be changed, dissolved or merged with another cooperative. You must become a member of any cooperative applicable to your Store and abide by any rules and procedures adopted by the cooperative and approved by us. If a conflict arises

between the rules and procedures of any cooperative of which you are a member and your Franchise Agreement, the Franchise Agreement will govern.

A cooperative for any region will include representation from each of our franchisees located in that region. We may engage the services of an advertising agency or other agency to formulate, develop, produce and conduct the advertising and promotion programs for the cooperatives with the cost of these services payable from the fund. There are currently no advertising cooperatives.

### Promotional Programs

In addition to the local, national and regional advertising described above, we may from time to time develop and administer advertising, marketing and sales promotion programs in which you must participate upon such terms and conditions that we establish. Such programs are in addition to your national, regional and local marketing obligations and may include, but not be limited to, limited time offers, marketing promotions, specialized menu offerings and similar programs. All phases of such advertising and promotion, including, without limitation, type, quantity, timing, placement, and choice of media, market areas, promotional programs and advertising agencies, shall be determined by us in our sole discretion.

### Technology, Computer & Point-of-Sale Systems

You must purchase or lease the technology systems, computer hardware and software systems, and point-of-sale system for the Store that we designate and update or replace these items from time to time at our request or as specified or modified in the FOM or otherwise in writing. These items include a back office personal computer, printer, tablet, required software and service from an Internet Service Provider as required in the FOM. The cost of the personal computer, printer, tablet, and required software ranges from \$1,200 to \$1,400. Updates to these items will be required periodically and you can expect to spend approximately \$800 to maintain your technology and computer systems on an annual basis. There are no limits on the costs of the updates or how frequently you will be required to perform the updates.

You must purchase or lease a computerized point-of-sale system for the Store (with our approved software) that we designate and update or replace the computerized point-of-sale system from time to time at our request or as specified or modified in the FOM or otherwise in writing. Currently, the “HoneyBaked Proprietary CMS Point-of-Sale” System is the approved point-of-sale system for HoneyBaked Stores. The cost of this hardware and software (excluding costs and expenses of installation by HBH or others, if required) ~~ranges from \$12,000 to \$16~~ is \$21,000 for three to four registers. [A Seasonal Store will only need two registers at a cost of \\$10,500.](#) This purchase price is included in the initial investment estimates, is uniform to all franchisees and is not refundable. We may independently access your point-of-sale system at any time.

There are no contractual limitations on how often you will need to replace or upgrade the technology, computer and point-of-sale systems during the term of your Franchise Agreement.

## **ITEM 12** **TERRITORY**

### **Area Development Agreement**

If you sign an Area Development Agreement, you will receive a Development Area, which will be mutually agreed to and described in the Area Development Agreement taking into consideration the density

of the area and the number of Stores you agree to develop. The perimeter of the Development Area may be described by specific street boundaries, county lines, state lines, municipal boundaries, railroad tracks or other similar boundary descriptions, and the size may range from a portion of a metropolitan area to a city or a county.

Under the Area Development Agreement, we and our affiliates reserve the right to: (1) operate, or grant any person or entity a franchise or license to operate, a HoneyBaked Store or a retail outlet substantially similar to your Store anywhere outside the Development Area; (2) establish anywhere (within or outside the Development Area) franchises, licenses and company-owned outlets selling products and providing services which are the same or similar to those sold or provided at HoneyBaked Stores under any names, trademarks, service marks, logos or symbols other than the Marks; (3) sell anywhere (within or outside the Development Area) the same or similar products authorized for a HoneyBaked Store, whether under the Marks or under other trademarks or trade dress and through any channels of distribution within the Development Area, whether this channel of distribution is now in existence or is subsequently developed and whether at retail or wholesale, including, without limitation, sales through catalogs, e-commerce, mail order, carts or kiosks, mass merchandise, supermarkets, grocers, restaurants, institutional customers, club stores and any other outlet or method of distribution, under any terms and conditions as we or our affiliates may deem appropriate; (4) issue competing franchises or operate competing businesses for or at locations near your Stores (within or outside the Development Area); (5) engage in other activities not expressly prohibited in the Area Development Agreement; and (6) offer and sell products and services under the Marks in the Development Area to our and our affiliates' existing customers and new customers developed by our or our affiliates' sales departments, and shipping customers. We and our affiliates retain all rights not granted by the Area Development Agreement.

### **Franchise Agreement**

You will receive the right to operate a HoneyBaked Store at, and only at, the designated location specified in your Franchise Agreement. The Store may only be used for the operation of a HoneyBaked Store and other related activities approved by us in writing. You will receive a designated geographic area around your Store ("Protected Territory") that we and you will negotiate before you sign a Franchise Agreement. With the exception of any HoneyBaked Stores conducting business as of the effective date of the Franchise Agreement, if you remain in compliance with the terms of the Franchise Agreement, we will not operate or grant a franchise for the operation of a HoneyBaked Store within your Protected Territory. In determining the extent of a Protected Territory, we consider various factors, including traffic patterns, demographics, location of competitors' units, location of existing HoneyBaked Stores and potential locations for future stores in adjacent territories.

Your right to operate your Store within your Protected Territory is not dependent upon the achievement of a certain sales volume, market penetration or any other contingency.

You may not relocate the Store except with our prior written consent, which consent may be arbitrarily withheld. If your lease expires or terminates through no fault of your own or if the Store site is condemned, destroyed or rendered unusable, we will grant permission for relocation of the Store to a location and site within the Protected Territory meeting our standards, provided the new location is not in our opinion, too proximate to a HoneyBaked Store located outside the Protected Territory. Any relocation will be at your sole expense and you must pay the relocation fee to cover our expenses in reviewing the new Store location.

Under the Franchise Agreement, we and our affiliates have reserved the right to: (1) operate, or grant any person or entity a franchise or license to operate, a HoneyBaked Store or retail outlets substantially similar to your Store anywhere except within the Protected Territory; (2) establish anywhere (within or

outside the Protected Territory) franchises, licenses and company-owned outlets selling products and providing services which are the same or similar to those sold or provided at your Store or at HoneyBaked Stores under any names, trademarks, service marks, logos or symbols other than the Marks; (3) sell anywhere (within or outside the Protected Territory) the same or similar products authorized for your Store or a HoneyBaked Store, whether under the Marks or under other trademarks or trade dress and through any channels of distribution other than a retail outlet substantially similar to your Store within the Protected Territory, whether this channel of distribution is now in existence or is subsequently developed and whether at retail or wholesale, including, without limitation, sales through catalogs, e-commerce, mail order, carts or kiosks, mass merchandise, supermarkets, grocers, restaurants, institutional customers, club stores and any other outlet or method of distribution, under any terms and conditions as we or our affiliates may deem appropriate; (4) issue competing franchises or operate competing businesses for or at locations near Store(s) (within or outside the Protected Territory); (5) engage in other activities not expressly prohibited in the Franchise Agreement; and (6) sell products and offer services under the Marks in the Protected Territory to our and our affiliates' existing customers, shipping customers, and new customers developed by our and our affiliates' sales departments. You have no right to use the Marks in connection with any business other than that licensed under the Franchise Agreement, and we and our affiliates retain all rights not granted by the Franchise Agreement.

Unless we agree otherwise, you may not advertise outside the Protected Territory or solicit orders for mail order shipments to points outside of the Protected Territory. However, we and our affiliates may advertise or market within the Protected Territory for sales to locations within and outside the Protected Territory, we may advertise or market to shipping customers who reside within and outside the Protected Territory and others may advertise within the Protected Territory for sales to locations outside of the Protected Territory.

You may not ship any products to any location within or outside the Protected Territory. You must refer all orders for the shipment of products to us. We or our affiliate will complete all such orders (including billing and collection) and ship the products directly to the customer. Once a shipping customer is referred to us, all data related to that customer shall be entered into our database and we will directly solicit future shipping orders from such customer through e-commerce marketing, telemarketing, direct mail and other forms of marketing.

You do not have any options to acquire additional Franchises under the terms of the Franchise Agreement, although you may have these rights under the Area Development Agreement. The only condition for you to maintain the rights in the Protected Territory is that you must be in compliance with the Franchise Agreement. Any right you are not specifically granted is retained by us. We have no right to modify your Protected Territory unless you are not in compliance with the Franchise Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Specifically, we reserve the right (and you do not have the right) to sell the same or similar products (using the Marks or not) to consumers within your Protected Territory at retail locations, through the Internet, catalog sales, telemarketing, or other direct marketing. We will not pay any compensation for soliciting or accepting orders from inside your Protected Territory.

You should refrain from soliciting to consumers outside your Protected Territory. You can only sell to customers at your Store.

We reserve the right to operate and franchise other stores having the same or similar menu items. Garnett Station Partners, disclosed in Item 1 above, has controlling ownership interests in other food, beverage, and restaurant businesses. However, none of these other brands offer the same or similar menu

items as a HoneyBaked Store, and except as disclosed in Item 1, none of these brands currently offer franchises.

**ITEM 13**  
**TRADEMARKS**

We grant you the right to operate a store under the name “Honey Baked Ham” and to use the other current or future Marks that we designate in the operation of that store. As stated in Item 1, our affiliate, HBH Co., owns the Marks and has granted a license to us to use and permit our franchisees to use the Marks under the License Agreement. HBH Co. has the right to terminate the License Agreement if we commit a breach of the License Agreement. In that event, our rights under the Franchise Agreement will be transferred to HBH Co.

In addition to other registered trademarks, HBH Co. has registered the following principal trademarks with the United States Patent and Trademark Office (“USPTO”) on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Mark	Registration Number	Registration Date
HONEY BAKED HAM	1384504	February 25, 1986
HONEY BAKED HAM	5198699	May 9, 2017
HONEYBAKED	1861924	November 8, 1994
HONEYBAKED	3049064	January 24, 2006
HONEYBAKED	5094383	December 6, 2016
HONEYBAKED	5794878	July 2, 2019
<b>HoneyBaked</b>	1883717	March 14, 1995
<b>HONEYBAKED</b> .....	3639258	June 16, 2009
<b>HONEYBAKED</b> .....	5198701	May 9, 2017
THE HONEYBAKED HAM COMPANY	2126500	January 6, 1998
	2150993	April 14, 1998
	3452316	June 24, 2008
THE HONEYBAKED HAM CO. AND CAFÉ (Stylized)	2534573	January 29, 2002

Mark	Registration Number	Registration Date
THE HONEYBAKED HAM CO. AND CAFÉ		
HONEYBAKED HAM	5198700	May 9, 2017
<b>HONEYBAKED HAM</b> .....	5198704	May 9, 2017
	5259277	August 8, 2017
... ESTD 1957 ... <b>THE HONEY BAKED</b> <i>Ham</i> co	5918177	November 26, 2019
... ESTD 1957 ... <b>THE HONEY BAKED</b> <i>Ham</i> co	6108602	July 21, 2020
HBH CO	6034211	April 14, 2020
	6262377	February 2, 2021
	6880252	October 18, 2022
	7026052	April 11, 2023
THE HONEY BAKED <i>Ham</i> co	6943661	January 3, 2023

We also claim common law rights in unregistered marks, which have been used in interstate commerce.

You must follow our rules when you use the Marks. You must operate your Store under the Marks only in a manner consistent with the scope of the registration of the Marks, advertise only under Marks that are designated by us and use the Marks without prefix or suffix. You cannot use any Mark or any derivation

of any Mark as part of your corporate or other entity name or with modifying words, designs or symbols. You must use the Marks in strict accordance with the Franchise Agreement. We are not aware of any currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court relating to the principal Marks. There are no pending infringements, opposition or cancellation proceedings or material litigation involving the principal Marks. Other than the License Agreement, there are no agreements currently in effect that significantly limit our right to use or license the use of the principal Marks in any manner material to you pursuant to the Franchise Agreement. We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal Marks pursuant to the Franchise Agreement.

The Franchise Agreement requires you to notify us immediately if you learn about an infringement of the Marks or a challenge to your use of the Marks. HBH Co. will take, or permit us to take, all actions HBH Co. deems appropriate to protect and defend the Marks and the System. If we or HBH Co. institutes litigation, you must cooperate and agree to be named as a party in this type of action, if requested by us or HBH Co. We will indemnify you for your use of the Marks as required by the Franchise Agreement. You may not contest our or HBH Co.'s right to the Marks, System, trade secrets or business techniques.

You must modify or discontinue the use of any Mark if we so require. You are responsible for your costs of compliance (e.g., changing signs).

## **ITEM 14**

### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

#### **Patents**

No patents are material to the operation of your Store.

#### **Copyrights**

We (or our affiliates, in some cases) claim copyright protection covering various materials used in our business and the development and operation of HoneyBaked Stores, including the FOM, marketing and promotional materials, the CMS Point-of-Sale software, and similar materials. We have not filed an application with the United States Registrar of Copyrights for these materials; however, we are not required to do so. These materials are proprietary and disclosed to you in confidence.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. You must notify us if you learn about an infringement of or challenge to your use of these materials. We will take the action we believe appropriate if a third party is infringing on our rights. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

#### **Confidential Information**

We and our affiliates have developed at great expense competitively sensitive trade secrets and confidential information regarding HoneyBaked Stores and the System, which are not commonly known by or available to the public. You must maintain the confidentiality of these materials. You must cause any person who is actively involved in the management or operation of your business or the operation of

the Store to sign a confidentiality agreement in the form designated by us. You must also use your best efforts to prevent anyone from violating the terms of that agreement. If you believe that there has been a violation, you must notify us and cooperate with us to protect us against infringement or other unlawful use of the Marks or the System, including prosecution of a lawsuit if we deem it necessary.

## **FOM**

You must operate your Store in accordance with the FOM. We will, from time to time, revise the contents of the FOM to implement new or different operating requirements applicable to all HoneyBaked Stores. You must comply with each modified requirement within such reasonable time as we may require at your own expense.

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

We do not require that you personally participate in the direct operation of your Store; however, we strongly encourage that you do so. You (or if you are an entity, one of your owners) may serve as the Store's Operator, managing the day-to-day operations in the Store. Or, you may designate a non-owner to serve as the Store Operator. The Store Operator will have full control over and must devote his or her best efforts to supervising the day-to-day operation of the Store.

The Store Operator must have successfully completed an approved food safety and sanitation class, such as ServSafe. You (or one of your owners) and the Store Operator must successfully complete our initial training program. A Store Operator who is not an owner must sign a written agreement to maintain the confidentiality of the trade secrets and confidential information. You must designate a replacement Store Operator within 30 days after the position becomes vacant.

You and each person who is actively involved in the management or operation of the Store must continuously demonstrate to us the ability to operate the Store according to the Franchise Agreement.

If you are an entity, all entities and individuals that own a 10% or greater equity interest in you must sign a Covenant and Guaranty of Owners ("Guaranty"), which is attached as Exhibit C to the Franchise Agreement, in favor of HBH guaranteeing your performance and agreeing to perform your obligations if you fail to do so. We may also require individuals with an indirect ownership interest in you and spouses of your guarantors sign the Guaranty.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

We require you to offer and sell all products and services that we specify, including specialty hams and turkeys. You may not offer any products or services without first obtaining our consent. You must discontinue selling any products or services that we at any time advise you are disapproved. We may make changes at any time to the products and services you must sell and there are no limits on our right to do so.

You may only sell products to consumers for consumer purposes (and not for resale). You may not sell any products at wholesale. You must also offer approved products in the manner required by us.

Your right to deal with customers outside of the Protected Territory is limited, as described in Item 12. In addition, you do not have the right to advertise outside of the Protected Territory.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

These tables list important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

**AREA DEVELOPMENT AGREEMENT**

	<b>Provision</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
(a)	Term of the agreement	4 and Exhibit A	Will depend on the number of Stores to be developed.
(b)	Renewal or extension of term	Not Applicable	
(c)	Requirements for you to renew or extend	Not Applicable	
(d)	Termination by you	Not Applicable	
(e)	Termination by HBH without Cause	Not Applicable	
(f)	Termination by HBH with Cause	6.1	We can terminate only if you default or if certain events (described in (g) and (h) below) occur.
(g)	“Cause” defined-defaults which can be cured	6.1	10 days to cure any failure to pay when due any amount owed to us, any supplier or any taxing authority.
(h)	“Cause” defined-defaults which cannot be cured	6.1	Non-curable defaults include: failure open or operate the number of Franchises required to be open and operating in the Development Area according to your development schedule; breach or event of default occurs under any Franchise Agreement that would allow us to terminate that Agreement; or failure to comply with noncompetition obligations.
(i)	Your obligations on termination/ non-renewal	Not Applicable	
(j)	Assignment of contract by HBH	9.1	No restriction on our right to assign.
(k)	“Transfer” by you definition	9.2	Includes transfer of the Area Development Agreement, any interest in the Area Development Agreement or, if developer is an entity, any interest in the entity.
(l)	HBH’s approval of transfer by you	9.3 and 9.4	We have the right to approve all transfers.

	<b>Provision</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
(m)	Conditions for HBH's approval of transfer by you	9.4	Conditions include: You pay transfer fee with submission of transfer application; you are not in default under the Area Development Agreement or any other agreement; the transferee meets our qualifications; the transferee signs the then-current Area Development Agreement; the transferee signs the then-current Franchise Agreement (if not a party to a Franchise Agreement) and assumes all of your other obligations; the transferee completes all required training; you sign a release, and a Noncompetition and Nondisclosure Agreement (Exhibit I) see also (n) below).
(n)	HBH's right of first refusal to acquire your business	9.7	We can match any offer to purchase your development rights.
(o)	HBH's option to purchase your business	Not Applicable	
(p)	Your death or disability	9.5	Spouse, heir or estate must qualify to operate business or assign to approved buyer; representative has 180 days to submit proposal for transfer and 60 days to transfer after receipt of our approval.
(q)	Noncompetition covenants during the term of the Area Development Agreement	7.1	No involvement in a business that prepares or sells whole or sliced hams or turkeys or a business that serves sandwiches, soups or salads in the United States.
(r)	Noncompetition covenants after the Area Development Agreement is terminated or expires	7.2	No involvement in a business that prepares or sells whole or part hams or turkeys or a business that serves sandwiches, soups or salads within 15 miles of the Development Area for 2 years.
(s)	Modification of the agreement	10.4 and 10.5	Generally, no modifications unless agreed in writing. If any part of the Area Development Agreement is declared invalid, the remaining portion will remain in force. If applicable law requires the taking of some action other than is required by the Area Development Agreement, that requirement will be substituted.
(t)	Integration/merger clause	10.4	Only the terms of the Area Development Agreement are binding (subject to state law) and any other representations or promises made outside this disclosure document and Area Development Agreement may not be enforceable. Nothing in the Area Development Agreement, or any other agreement, is intended to disclaim any representations made in this disclosure document.
(u)	Dispute resolution by arbitration or mediation	Not Applicable	

	<b>Provision</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
(v)	Choice of Forum	10.8	The state where our principal place of business is located at the time of suit (presently, Georgia) (subject to state law).
(w)	Choice of Law	10.7	Georgia law applies (subject to state law).

### FRANCHISE AGREEMENT

	<b>Provision</b>	<b>Section in Franchise Agreement (FA)</b>	<b>Summary</b>
(a)	Term of the franchise	2.2	10 years <u>5 years for Seasonal Stores</u>
(b)	Renewal or extension of the term	3	If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the option to renew the Franchise for two additional renewal terms of 5 years each <u>(one additional renewal term of 5 years for Seasonal Stores)</u> . You must sign our then-current franchise agreement for each renewal term, and this new agreement may have different terms and conditions (including, e.g., a higher royalty and/or advertising obligations) from the agreement that covered your original term.
(c)	Requirements for you to renew or extend	3	Requirements include: give notice; not be in default of Franchise Agreement or other agreements and have substantially complied with these agreements; sign renewal franchise agreement which may contain materially different terms and conditions from the original Franchise Agreement; sign release; have the right to remain in the store premises; remodel and pay renewal fee.
(d)	Termination by you	Not Applicable	
(e)	Termination by HBH without cause	Not Applicable	
(f)	Termination by HBH with cause	16.1	We can terminate only if you default or if certain events (described in (g) and (h) below) occur.
(g)	“Cause” defined - defaults which can be cured	16.1 and 16.3	You have 48 hours to cure your failure to obtain the insurance (or you may close the Store and obtain insurance within 10 days); 7 days to comply with any provision of the Franchise Agreement or any other requirement prescribed by us which relates to the Marks or customer service in connection with the operation of your Store (including the requirements in the FOM); 10 days to pay amounts owed to us or our affiliates; 10 days to cure the non-payment of any amount owed to any creditor, supplier or taxing authority; 10 days to cure any failure to meet any Food Safety/Store Cleanliness

	Provision	Section in Franchise Agreement (FA)	Summary
			Evaluation Form or Quality Assurance (“QA”) Audit; 30 days to cure failure to comply with any other provision of the Franchise Agreement not described in (h) below.
(h)	“Cause” defined - defaults which cannot be cured	16.1	Non-curable defaults include: a material misrepresentation in application; a material default under any other agreement with us, our principals or affiliates, including any Franchise Agreement but excluding Section 5 and Exhibit A of the Area Development Agreement with respect to HBH stores other than the Store under the Franchise Agreement; bankruptcy or other insolvency event of franchisee or a 25% owner; failure to submit a site and to open the Franchise within the required time period; abandonment of or failure to continuously operate the Franchise; failure to maintain possession of a site; termination or cancellation of lease; conviction of you or any owner of a felony or crime which impairs the goodwill associated with the Marks, or any conduct which adversely affects the Marks; intentional underreporting of royalty sales; violation of noncompetition, non-solicitation, confidentiality, transfer or assignment <del>provisions</del> <a href="#">provisions</a> ; failure to properly transfer interest in Franchise of a deceased or disabled person; failure to comply on three or more occasions during any one year period with any one or more provisions of the Franchise Agreement; non-compliance with food and beverage quality and sanitation standards that pose an imminent threat to public health or safety <del>;</del> <a href="#">for Seasonal Stores, the closure of the Primary Store servicing the Seasonal Store.</a>
(i)	Your obligations on termination/non-renewal	10.1, 16.2, 16.4 and 16.5	Obligations include: return confidential materials; cancel assumed name registration; withdraw all advertising using the marks (including electronic marketing) and cease use of and transfer electronic identifiers and transfer telephone number; pay all amounts due to us or our affiliates; complete de-identification (including modifications to the Store); cease use of the Marks; immediately make the Store accessible to us; refrain from disclosing proprietary information (see also (q) and (r) below); and pay early termination damages to us equal to the average monthly Royalty Fees that you owed for the past 24 months multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.

	<b>Provision</b>	<b>Section in Franchise Agreement (FA)</b>	<b>Summary</b>
(j)	Assignment of contract by HBH	20.1	No restriction on HBH's right to assign.
(k)	"Transfer" by you – definition	20.2	Includes sale, assignment or transfer of the Franchise Agreement, any interest in the Franchise Agreement, transfer of ownership of the Store or its assets or, if franchisee is an entity, any ownership interest in the entity.
(l)	HBH's approval of transfer by franchisee	20.4	We have the right to approve all transfers. <a href="#"><u>You may not transfer the Franchise Agreement for a Seasonal Store without transferring the Franchise Agreement for the Primary Store to the same transferee.</u></a>
(m)	Conditions for HBH's approval of transfer	20.4	Conditions include: You pay transfer fee with the submission of the transfer application; you are not in default under the Franchise Agreement or any other agreement with us; transferee qualifies; transferee signs current form of Franchise Agreement and assumes all of your other obligations; transferee completes required training before transfer; transferee refurbishes Franchise; you sign a release and a Noncompetition and Nondisclosure Agreement (Exhibit I)(see also (n) below).
(n)	HBH's right of first refusal to acquire your business	20.6	We can match any offer for your Store's assets.
(o)	HBH's option to purchase your business	17	For 60 days after the Franchise Agreement terminates or expires, we can purchase any and all improvements, equipment, advertising, and promotional materials, ingredients, products, materials, supplies, paper goods, and any item bearing the Marks (including the real estate) for the fair market value of the assets, less any amounts then owing to us. If you lease the property, we have the right to assume your lease. We also have the right to manage your Store during the option period.
(p)	Your death or disability	20.5	Spouse, heir or estate must qualify to operate business or assign to approved buyer; representative has 180 days to submit a proposal for transfer and 60 days to transfer after receipt of our approval.
(q)	Noncompetition covenants during the term of the Franchise	18.1	No involvement in a business that prepares or sells whole or sliced hams or turkeys or a business that serves sandwiches, soups or salads in the United States.
(r)	Noncompetition covenants after the franchise is terminated or expires	18.2	No involvement in a business that prepares or sells whole or part hams or turkeys or a business that serves sandwiches, soups or salads within 15 miles of the Protected Territory for 2 years.

	<b>Provision</b>	<b>Section in Franchise Agreement (FA)</b>	<b>Summary</b>
(s)	Modification of the agreement	10.1, 20.4 and 21.4	Generally, no modifications unless agreed in writing. We may revise the contents of the FOM and you must comply with each requirement. If any part of the Franchise Agreement is declared invalid, the remaining portion will remain in force. If applicable law requires the taking of some action other than is required by the Franchise Agreement, that requirement will be substituted.
(t)	Integration/merger clause	21.4	Only the terms of the Franchise Agreement are binding (subject to state law) and any other representations or promises made outside this disclosure document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement, or any other agreement, is intended to disclaim any representations made in this disclosure document.
(u)	Dispute resolution by arbitration or mediation	Not Applicable	
(v)	Choice of forum	21.7	The state where our principal place of business is located at the time of suit (presently, Georgia) (subject to state law).
(w)	Choice of law	21.6	Georgia law applies (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote the Franchises.

**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.

**TABLE NO.-1**  
**NET SALES FOR FISCAL YEAR ~~2024~~2025 OF 188**  
**418 COMPANY-OWNED AND FRANCHISED STORES**  
**OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER ~~28, 2021~~26, 2022 TO SEPTEMBER 29, 2024**28,  
2025

<b>Table 1</b>	<b>All Stores</b>	<b>Top Third</b>	<b>Middle Third</b>	<b>Bottom Third</b>
Range of Net Sales	<del>\$2,777,087 - \$309,355</del> <u>\$3,798,001 - \$308,714</u>	<del>\$2,777,087</del> <u>3,798,001 - \$1,402,252</u> <u>439,842</u>	<del>\$1,099,991 - \$749,721</del> <u>438,471 - \$1,030,973</u>	<del>\$747,592 - \$309,355</del> <u>\$1,030,220 - \$308,714</u>
Average Net Sales	<del>\$989,787</del> <u>1,265,568</u>	<del>\$1,467,219</del> <u>813,301</u>	<del>\$916,053</del> <u>1,236,596</u>	<del>\$584,918</del> <u>747,015</u>
Median Net Sales	<del>\$924,379</del> <u>1,235,325</u>	<del>\$1,363,531</del> <u>727,876</u>	<del>\$924,379</del> <u>1,235,325</u>	<del>\$609,259</del> <u>755,048</u>
Number Of Stores	<del>188</del> <u>418</u>	<del>63</del> <u>139</u>	<del>62</del> <u>140</u>	<del>63</del> <u>139</u>
Number of Stores at or Above Average	<del>77</del> <u>199</u>	<del>25</del> <u>60</u>	<del>34</del> <u>70</u>	<del>36</del> <u>73</u>
Percentage of Stores at or Above Average	<del>41.0</del> <u>47.6%</u>	<del>39.7</del> <u>43.2%</u>	<del>54.8</del> <u>50.0%</u>	<del>57.1</del> <u>52.5%</u>

**NOTES TO TABLE NO.-1**

1. ~~Table No. 1 displays~~

**TABLE 2**  
**NET SALES FOR FISCAL YEAR 2025 OF**  
**198 FRANCHISED STORES OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 26 2022 TO SEPTEMBER 28, 2025**

	<b><u>All Stores</u></b>	<b><u>Top Third</u></b>	<b><u>Middle Third</u></b>	<b><u>Bottom Third</u></b>
<b><u>Range of Net Sales</u></b>	<u>\$2,770,161 - \$308,714</u>	<u>\$2,770,161 - \$1,072,953</u>	<u>\$1,072,215 - \$750,993</u>	<u>\$750,467 - \$308,714</u>
<b><u>Number Of Stores</u></b>	<u>198</u>	<u>66</u>	<u>66</u>	<u>66</u>
<b><u>Average Net Sales</u></b>	<u>\$983,538</u>	<u>\$1,445,950</u>	<u>\$919,118</u>	<u>\$585,545</u>
<b><u>Median Net Sales</u></b>	<u>\$923,111</u>	<u>\$1,361,281</u>	<u>\$923,111</u>	<u>\$598,841</u>
<b><u>Number of Stores at or Above Average</u></b>	<u>83</u>	<u>28</u>	<u>36</u>	<u>39</u>
<b><u>Percentage of Stores at or Above Average</u></b>	<u>41.9%</u>	<u>42.4%</u>	<u>54.5%</u>	<u>59.1%</u>

**TABLE NO. 3**  
**NET SALES FOR FISCAL YEAR 2025 OF**  
**220 COMPANY-OWNED STORES OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 26, 2022 TO SEPTEMBER 28, 2025**

	<u>All Stores</u>	<u>Top Third</u>	<u>Middle Third</u>	<u>Bottom Third</u>
<u>Range of Net Sales</u>	<u>\$3,798,001 - \$634,649</u>	<u>\$3,798,001 - \$1,636,968</u>	<u>\$1,635,980 - \$1,317,256</u>	<u>\$1,316,413 - \$634,649</u>
<u>Number Of Stores</u>	<u>220</u>	<u>73</u>	<u>74</u>	<u>73</u>
<u>Average Net Sales</u>	<u>\$ 1,519,395</u>	<u>\$1,982,390</u>	<u>\$1,458,988</u>	<u>\$1,117,633</u>
<u>Median Net Sales</u>	<u>\$ 1,441,539</u>	<u>\$1,912,191</u>	<u>\$1,441,539</u>	<u>\$1,142,843</u>
<u>Number of Stores at or Above Average</u>	<u>92</u>	<u>33</u>	<u>32</u>	<u>40</u>
<u>Percentage of Stores at or Above Average</u>	<u>41.8%</u>	<u>45.2%</u>	<u>43.2%</u>	<u>54.8%</u>

**NOTES TO TABLES 1- 3**

1. Tables 1, 2 and 3 display the average and median Net Sales (as defined in Item 6) of ~~188 franchised~~ 418 HoneyBaked Stores including 198 franchised Stores and 220 Company-owned Stores during our fiscal year that ended on September ~~29, 2024~~ 28, 2025 and that were in operation for our last three fiscal years, which includes the period from September ~~28, 2021~~ 26, 2022 to September ~~29, 2024~~ 28, 2025 (the “Three Year Reporting Period”). ~~Table No. 1 excludes~~ These tables exclude data from: (i) ~~nine~~ 18 franchised ~~HoneyBaked~~ Stores that opened during the Three Year Reporting Period; (ii) ~~twelve~~ two franchised ~~HoneyBaked~~ Stores that temporarily closed for periods of time during the Three Year Reporting Period; (iii) ~~seven~~ six franchised ~~HoneyBaked~~ Stores that permanently closed during the Three Year Reporting Period; (iv) ~~seven franchised HoneyBaked~~ two Company-owned Stores that were ~~acquired by HBH’s affiliate~~ sold to a franchisee during the Three Year Reporting Period; (v) eleven Company-owned Stores that our affiliate acquired from franchisees during the Three Year Reporting Period; and (vi) five new Company-owned Stores that opened during the Three Year Reporting Period; and (vii) four Company-owned Stores that closed during the Three Year Reporting Period.

2. The data in ~~Table No. 1~~ these tables is based on sales reports received from our CMS Point-of-Sale system. ~~We have not audited or verified any of this information.~~

**TABLE NO. 24**  
**HISTORICAL SALES AND CERTAIN EXPENSES FOR ~~175~~203 FRANCHISED STORES**  
**FOR CALENDAR YEAR ~~2023~~2024**

<del>Fiscal</del> Calendar Year <del>2023</del> 2024	<del>175</del> 203 Stores		Stores with Net Sales Less Than \$700,000		Stores with Net Sales Between \$700,001 to \$1,000,000		
Net Sales - Range	<del>\$2,287,114-</del> <del>\$258,949</del> 762,322 - \$159,642		<del>\$674,534-</del> <del>\$258,949</del> <del>\$697,771</del> - \$159,642		\$992,727 <del>989,055</del> - \$703,402		
No. of Stores	<del>175</del> 203		<del>51</del> 60		<del>57</del> 65		
Net Sales - Average	<del>\$952,819</del> 961,627		<del>\$533,300</del> 539,094		\$861,665 <del>850,512</del>		
Net Sales Median	<del>\$911,256</del> 880,043		<del>\$555,924</del> 556,093		\$872,019 <del>862,138</del>		
Cost of Goods Sold (COGS)	<del>\$358,976</del> 357,970	37.7 <del>2</del> %	<del>\$201,996</del> 199,401	37.90%	<del>\$322,061</del> 331,573	<del>37.4</del> 39.0%	<del>\$50</del>
Gross Profit	<del>\$593,843</del> 603,657	62.3 <del>8</del> %	<del>\$331,304</del> 339,693	<del>62.1</del> 63.0%	<del>\$539,605</del> 518,940	<del>62.6</del> 61.0%	<del>\$83</del>
Hourly Labor	<del>\$201,156</del> 199,768	<del>21.1</del> 20.8%	<del>\$112,049</del> 114,946	21.03%	<del>\$184,431</del> 193,355	<del>21.4</del> 22.7%	<del>\$28</del>
Store Operating Profit After COGS & Hourly Labor	<del>\$392,686</del> 403,890	<del>41.2</del> 42.0%	<del>\$219,255</del> 224,747	41.17%	<del>\$355,174</del> 325,585	<del>41.2</del> 38.3%	<del>\$55</del>
Other Operating Expenses	<del>\$278,243</del> 297,138	<del>29.2</del> 30.9%	<del>\$179,519</del> 193,226	<del>33.7</del> 35.8%	<del>\$252,559</del> 259,378	<del>29.3</del> 30.5%	<del>\$37</del>
EBITDA	<del>\$114,444</del> 106,752	<del>12.0</del> 11.1%	<del>\$39,736</del> 31,521	7.58%	<del>\$102,615</del> 66,207	<del>11.9</del> 7.8%	<del>\$18</del>

**NOTES TO TABLE NO. 24**

- Table No. 24 presents Net Sales, Cost of Goods Sold, and Hourly Labor expense data for ~~175~~203 franchised ~~HoneyBaked~~ Stores that were open during the entire ~~2023~~2024 calendar year and that provided year-end profit and loss statements to us on our standardized form for this period. Table No. 24 does not include any data related to: (i) ~~19~~ four franchised ~~HoneyBaked~~ Stores that were open during the entire ~~2023~~2024 calendar year that did not provide profit and loss statements to us, or whose statements were not provided to us in the correct format; (ii) eight franchised ~~HoneyBaked~~ Stores that opened during the ~~2023~~2024 calendar year; (iii) ~~five~~ six franchised ~~HoneyBaked~~ Stores that closed during the ~~2023~~2024 calendar year; and (iv) four franchised ~~HoneyBaked~~ Stores that were acquired by HBH's affiliate during the ~~2023~~2024 calendar year. ~~We have not audited or verified this information.~~
- Cost of Goods Sold includes the total costs of food and beverage sales as well as paper and packaging supplies.
- Gross Profit is calculated by subtracting Cost of Goods Sold from Average Net Sales.
- Hourly Labor costs include only hourly employee wages.
- Store Operating Profit after COGS and Hourly Labor is calculated by subtracting Cost of Goods Sold and Total Hourly Labor costs from Average Net Sales.

6. Other Operating Expenses are expenses that are not included in Cost of Goods Sold or Hourly Labor and include expenses such as rent, management salaries, utilities, insurance, royalty fees, Advertising Fund contributions, technology fees, etc.

7. EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization is calculated by subtracting Other Operating Expenses from Store Operating Profit after COGS and Hourly Labor.

**TABLE 5**  
**NET SALES FOR FISCAL YEAR 2025 OF 51 COMPANY-OWNED AND FRANCHISED**  
**SEASONAL STORES OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 26, 2022 TO SEPTEMBER 28, 2025**

	<u>All Seasonal Stores</u>	<u>Top Third</u>	<u>Middle Third</u>	<u>Bottom Third</u>
<u>Range of Net Sales</u>	<u>\$428,975 - \$110,600</u>	<u>\$428,975 - \$239,607</u>	<u>\$228,881 - \$179,161</u>	<u>\$177,526 - \$110,600</u>
<u>Number Of Stores</u>	<u>51</u>	<u>17</u>	<u>17</u>	<u>17</u>
<u>Average Net Sales</u>	<u>\$213,211</u>	<u>\$283,662</u>	<u>\$203,923</u>	<u>\$152,048</u>
<u>Median Net Sales</u>	<u>\$198,663</u>	<u>\$261,936</u>	<u>\$198,663</u>	<u>\$156,180</u>
<u>Number of Stores at or Above Average</u>	<u>23</u>	<u>7</u>	<u>8</u>	<u>11</u>
<u>Percentage of Stores at or Above Average</u>	<u>45.1%</u>	<u>41.2%</u>	<u>47.1%</u>	<u>64.7%</u>

**TABLE 6**  
**NET SALES FOR FISCAL YEAR 2025 OF TWO FRANCHISED SEASONAL STORES**  
**OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 26, 2022 TO SEPTEMBER 28, 2025**

<u>Range of Net Sales</u>	<u>\$256,048 - \$247,606</u>
<u>Number Of Stores</u>	<u>2</u>
<u>Average Net Sales</u>	<u>\$251,827</u>
<u>Median Net Sales</u>	<u>\$251,827</u>
<u>Number of Stores at or Above Average</u>	<u>1</u>
<u>Percentage of Stores at or Above Average</u>	<u>50.0%</u>

**TABLE 7**  
**NET SALES FOR FISCAL YEAR 2025 OF 49 COMPANY-OWNED SEASONAL STORES**  
**OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 26, 2022 TO SEPTEMBER 28, 2025**

	<u>All Seasonals</u>	<u>Top Third</u>	<u>Middle Third</u>	<u>Bottom Third</u>
<u>Range of Net Sales</u>	<u>\$428,975 - \$110,600</u>	<u>\$428,975 - \$228,881</u>	<u>\$228,630 - \$177,526</u>	<u>\$176,177 - \$110,600</u>
<u>Number Of Stores</u>	<u>49</u>	<u>16</u>	<u>17</u>	<u>16</u>
<u>Average Net Sales</u>	<u>\$211,635</u>	<u>\$284,218</u>	<u>\$200,902</u>	<u>\$150,456</u>
<u>Median Net Sales</u>	<u>\$194,540</u>	<u>\$266,621</u>	<u>\$194,540</u>	<u>\$155,248</u>
<u>Number of Stores at or Above Average</u>	<u>21</u>	<u>7</u>	<u>7</u>	<u>10</u>
<u>Percentage of Stores at or Above Average</u>	<u>42.9%</u>	<u>43.8%</u>	<u>41.2%</u>	<u>62.5%</u>

**NOTES TO TABLES 5 - 7**

1. Tables 5, 6 and 7 display the average and median Net Sales of 51 Seasonal Stores including two franchised Seasonal Stores and 49 Company-owned Seasonal Stores during our fiscal year that ended on September 28, 2025 and that were in operation for the Three Year Reporting Period”). These tables exclude data from: (i) two franchised Seasonal Stores that opened during the Three Year Reporting Period; (ii) one franchised Seasonal Stores that permanently closed during the Three Year Reporting Period; (iii) two franchised Seasonal Stores that were acquired by HBH’s affiliate during the Three Year Reporting Period; and (iv) ten Company-owned Seasonal Stores that opened during the Three Year Reporting Period; and (v) two Company-owned Seasonal Stores that permanently closed during the Three Year Reporting Period.

2. The data in these tables is based on sales reports received from our CMS Point-of-Sale system.

\* \* \*

The franchised HoneyBaked Stores reflected in this financial performance representation offer inventory and services for sale that are substantially similar to the inventory and services that you will offer for sale in your Store. The data has not been audited.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

**Some HoneyBaked Stores have earned this much. Your individual results may differ. There is no assurance you will earn as much.**

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 our management by contacting Kenneth Marshall, Chief Financial Officer, The HBH Franchise Company, LLC, 3875 Mansell Road, Alpharetta, Georgia 30022-1532, (678) 966-3101, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20**  
**LIST OF OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Store Summary**  
**For Years ~~2022-2024~~<sup>1</sup>2023-2025<sup>1</sup>**

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year	Net Change
Franchised Stores	<del>2022</del> <u>2023</u>	<del>209</del> <u>215</u>	<del>215</del> <u>209</u>	<del>+6</del>
	<del>2023</del> <u>2024</u>	<del>215</del> <u>209</u>	<del>209</del> <u>208</u>	<del>-6</del> <u>1</u>
	<del>2024</del> <u>2025</u>	<del>209</del> <u>208</u>	<del>208</del> <u>212</u>	<del>-1</del> <u>+4</u>
Company-Owned Stores <sup>2</sup> <u>Stores</u>	<del>2022</del> <u>2023</u>	<del>200</del> <u>225</u>	<del>225</del> <u>230</u>	<del>+25</del> <u>5</u>
	<del>2023</del> <u>2024</u>	<del>225</del> <u>230</u>	<del>230</del> <u>231</u>	<del>+5</del> <u>1</u>
	<del>2024</del> <u>2025</u>	<del>230</del> <u>231</u>	<del>231</del> <u>236</u>	<del>+1</del> <u>5</u>
Total Stores	<del>2022</del> <u>2023</u>	<del>409</del> <u>440</u>	<del>440</del> <u>439</u>	<del>+31</del> <u>-1</u>
	<del>2023</del> <u>2024</u>	<del>440</del> <u>439</u>	439	<del>+0</del>
	<del>2024</del> <u>2025</u>	439	<del>439</del> <u>448</u>	<del>0</del> <u>+9</u>

**Table No. 2**  
**Transfers of Stores from Franchisees to New Owners**  
**(Other than HBH)**  
**For Years ~~2022-2024~~<sup>1</sup>2023-2025<sup>1</sup>**

State	Year	Number of Transfers
<del>Alabama</del>	<del>2022</del>	<del>1</del>
<u>Florida</u>	2023	<del>0</del> <u>2</u>
	2024	<del>0</del> <u>2</u>
<del>Delaware</del>	<del>2022</del> <u>2025</u>	1
<u>Georgia</u>	2023	0
	2024	<del>0</del> <u>1</u>
<del>Florida</del>	<del>2022</del> <u>2025</u>	<del>+5</del> <u>5</u>
<u>Maryland</u>	2023	<del>2</del> <u>3</u>
	2024	<del>2</del> <u>0</u>
<del>Georgia</del>	<del>2022</del>	<del>1</del>
	<del>2023</del> <u>2025</u>	0
	<del>2024</del>	<del>1</del>

State	Year	Number of Transfers
Minnesota	<del>2022</del> <u>2023</u>	<del>0</del> <u>1</u>
	2023	3
	2024	0
	<u>2025</u>	<u>0</u>
Mississippi	<del>2022</del> <u>2023</u>	<del>0</del> <u>1</u>
	2023	1
	2024	0
	<u>2025</u>	<u>0</u>
Nebraska	<del>2022</del> <u>2023</u>	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	0
	2024	1
North Carolina	<del>2022</del> <u>2025</u>	0
<u>Ohio</u>	2023	0
	2024	1
<del>Ohio</del>	<del>2022</del> <u>2025</u>	0
<u>Pennsylvania</u>	2023	1
	2024	0
	<u>2025</u>	<u>0</u>
South Carolina	<del>2022</del> <u>2023</u>	<del>0</del> <u>1</u>
	2023	1
	2024	0
	<u>2025</u>	<u>0</u>
Tennessee	<del>2022</del> <u>2023</u>	<del>0</del> <u>1</u>
	<u>2024</u>	<u>1</u>
	<u>2025</u>	<u>0</u>
<u>Texas</u>	2023	<del>1</del> <u>0</u>
	2024	<del>1</del> <u>0</u>
	<u>2025</u>	<u>1</u>
Virginia	<del>2022</del> <u>2023</u>	0
	2023	0
	2024	1
	<u>2025</u>	<u>1</u>
West Virginia	<del>2022</del> <u>2023</u>	<del>0</del> <u>4</u>
	2023	4
	2024	1

State	Year	Number of Transfers
<b>TOTALS</b>	<del>2022</del> <u>2025</u>	<u>40</u>
<u>TOTALS</u>	2023	14
	2024	8
	<u>2025</u>	<u>8</u>

**Status of Franchised Stores**  
For Fiscal Years ~~2022-2024~~<sup>†</sup>2023-2025<sup>‡</sup>

State	Year	Stores at Start of Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores at End of the Year
AL	<del>2022</del> <u>202</u> <u>3</u>	7	0	0	0	0	0	7
	<del>2023</del> <u>202</u> <u>4</u>	7	0	0	0	0	0	7
	<del>2024</del> <u>202</u> <u>5</u>	7	<del>0</del> <u>1</u>	0	0	0	0	<del>7</del> <u>8</u>
AR	<del>2022</del> <u>202</u> <u>3</u>	3	0	0	0	0	0	3
	<del>2023</del>	<del>3</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
	2024	3	1	0	0	0	0	4
<del>AZ</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>3</del> <u>4</u>	0	0	0	<del>0</del> <u>1</u>	0	3
<u>AZ</u>	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
<del>CA</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>0</del> <u>4</u>	<del>9</del> <u>20</u>	0	0	0	0	<del>9</del> <u>4</u>
<u>CA</u>	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
<del>CO</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>4</del> <u>9</u>	0	0	0	0	0	<del>4</del> <u>9</u>
<u>CO</u>	2023	4	0	0	0	0	0	4
	2024	4	0	0	1	0	0	3
<del>CT</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>0</del> <u>3</u>	0	0	0	0	0	<del>0</del> <u>3</u>
<u>CT</u>	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
<del>DE</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>1</del> <u>2</u>	0	0	0	0	0	<del>1</del> <u>2</u>
<u>DE</u>	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<del>FL</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>19</del> <u>1</u>	0	0	0	0	0	<del>19</del> <u>1</u>
<u>FL</u>	2023	19	0	0	0	1	1	17

State	Year	Stores at Start of Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores at End of the Year
	2024	17	0	0	0	0	1	16
<del>GA</del>	<del>2022</del> <u>2025</u>	<del>23</del> <u>16</u>	<del>0</del> <u>1</u>	0	0	0	<del>1</del> <u>0</u>	<del>22</del> <u>17</u>
<u>GA</u>	2023	22	0	0	0	0	0	22
	2024	22	0	0	0	2	0	20
<del>ID</del>	<del>2022</del> <u>2025</u>	<del>0</del> <u>20</u>	0	0	0	0	0	<del>0</del> <u>20</u>
<u>ID</u>	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
<del>IL</del>	<del>2022</del> <u>2025</u>	<del>4</del> <u>2</u>	0	0	0	0	0	<del>4</del> <u>2</u>
<u>IL</u>	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
<del>IN</del>	<del>2022</del> <u>2025</u>	<del>11</del> <u>4</u>	0	0	0	0	0	<del>11</del> <u>4</u>
<u>IN</u>	2023	11	0	0	0	0	0	11
	2024	11	0	0	1	0	0	10
<del>KY</del>	<del>2022</del> <u>2025</u>	<del>2</del> <u>10</u>	0	0	0	0	0	<del>2</del> <u>10</u>
<u>KY</u>	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
<del>LA</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>3</u>	0	0	0	0	0	<del>5</del> <u>3</u>
<u>LA</u>	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<del>MD</del>	<del>2022</del> <u>2025</u>	<del>7</del> <u>5</u>	0	0	0	<del>3</del> <u>1</u>	0	<del>4</del> <u>4</u>
<u>MD</u>	2023	7	0	0	0	3	0	4
	2024	4	0	0	0	0	0	4
<del>MI</del>	<del>2022</del> <u>2025</u>	<del>8</del> <u>4</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>8</del> <u>5</u>
<u>MI</u>	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
<del>MN</del>	<del>2022</del> <u>2025</u>	<del>3</del> <u>8</u>	0	0	0	0	0	<del>3</del> <u>8</u>
<u>MN</u>	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
<del>MO</del>	<del>2022</del> <u>2025</u>	<del>2</del> <u>3</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>2</del> <u>4</u>
<u>MO</u>	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<del>MS</del>	<del>2022</del> <u>2025</u>	<del>6</del> <u>2</u>	0	0	0	0	0	<del>6</del> <u>2</u>
<u>MS</u>	2023	6	0	0	0	0	1	5
	2024	5	0	0	0	0	0	5

State	Year	Stores at Start of Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores at End of the Year
<del>NC</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>17</del> <u>5</u>	0	0	0	0	0	<del>17</del> <u>5</u>
<u>NC</u>	2023	17	1	0	0	0	0	18
	2024	18	0	0	1	0	0	17
<del>NE</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>1</del> <u>7</u>	0	0	0	0	0	<del>1</del> <u>7</u>
<u>NE</u>	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<del>NJ</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>5</del> <u>1</u>	0	0	0	0	0	<del>5</del> <u>1</u>
<u>NJ</u>	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<del>NY</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>1</del> <u>5</u>	0	0	0	<del>0</del> <u>1</u>	0	<del>1</del> <u>4</u>
<u>NY</u>	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
OH	<del>2022</del> <u>202</u> <u>3</u>	10	0	0	0	0	0	10
	<del>2023</del> <u>202</u> <u>4</u>	10	0	0	0	0	0	10
	<del>2024</del> <u>202</u> <u>5</u>	10	0	0	0	0	0	10
<del>OK</del>	<del>2022</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
<u>OK</u>	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<del>OR</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>3</del> <u>1</u>	0	0	0	0	0	<del>3</del> <u>1</u>
<u>OR</u>	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	2	0	0
<del>PA</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>10</del> <u>0</u>	0	0	<del>0</del> <u>0</u>	0	0	<del>10</del> <u>0</u>
<u>PA</u>	2023	10	0	0	0	0	1	9
	2024	9	0	0	0	0	0	9
<del>SC</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>11</del> <u>9</u>	0	0	0	0	0	<del>11</del> <u>9</u>
<u>RI</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>SC</u>	2023	11	0	0	0	0	0	11
	2024	11	1	0	0	0	0	12
<del>SD</del>	<del>2022</del> <u>202</u> <u>5</u>	<del>1</del> <u>2</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>1</del> <u>3</u>
<u>SD</u>	2023	1	0	0	0	0	0	1

State	Year	Stores at Start of Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Stores at End of the Year
	2024	1	0	0	0	0	0	1
<del>TN</del>	<del>2022</del> <u>2025</u>	<del>9</del> <u>1</u>	0	0	0	0	0	<del>9</del> <u>1</u>
<u>TN</u>	2023	9	0	0	0	0	0	9
	2024	9	1	0	0	0	0	10
<del>TX</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>10</u>	<del>0</del> <u>2</u>	0	0	0	0	<del>5</del> <u>12</u>
<u>TX</u>	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<del>VA</del>	<del>2022</del> <u>2025</u>	<del>11</del> <u>5</u>	0	0	0	0	0	<del>11</del> <u>5</u>
<u>VA</u>	2023	11	0	0	0	1	0	10
	2024	10	0	0	0	0	0	10
<del>WA</del>	<del>2022</del> <u>2025</u>	<del>5</del> <u>10</u>	0	0	<del>1</del> <u>0</u>	0	0	<del>4</del> <u>10</u>
<u>WA</u>	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
<del>WI</del>	<del>2022</del> <u>2025</u>	<del>3</del> <u>4</u>	0	0	0	0	0	<del>3</del> <u>4</u>
<u>WI</u>	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
<del>WV</del>	<del>2022</del> <u>2025</u>	<del>7</del> <u>3</u>	0	0	0	0	0	<del>7</del> <u>3</u>
<u>WV</u>	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	<u>2025</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>
<b>TOTALS</b>	<del>2022</del> <u>2023</u>	<del>209</del> <u>215</u>	<del>9</del> <u>3</u>	0	<del>2</del> <u>0</u>	<del>0</del> <u>5</u>	<del>1</del> <u>4</u>	<del>215</del> <u>209</u>
	2023	215	3	0	0	5	4	209
	2024	209	7	0	3	4	1	208
	<u>2025</u>	<u>208</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>212</u>

**Table No. 4**  
**Status of Company-Owned Stores**  
**For Fiscal Years ~~2022-2024~~<sup>†</sup>2023-2025<sup>1</sup>**

State	Year	Stores at Start of Year	Stores Opened	Stores Reacquired from Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at End of the Year
AL	<del>2022</del> <u>2023</u>	6	0	0	0	0	6
	<del>2023</del> <u>2024</u>	6	0	0	0	0	6
	<del>2024</del> <u>2025</u>	6	0	0	0	0	6

State	Year	Stores at Start of Year	Stores Opened	Stores Reacquired from Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at End of the Year
AR	<del>2022</del> 2023	2	0	0	0	0	2
	<del>2023</del> 2024	2	0	0	0	0	2
	<del>2024</del> 2025	2	0	<del>0</del> 1	0	0	<del>2</del> 3
AZ	<del>2022</del> 2023	5	0	0	0	0	5
	<del>2023</del> 2024	5	0	0	0	0	5
	<del>2024</del> 2025	5	0	0	0	0	5
CA	<del>2022</del> 2023	<del>0</del> 26	0	<del>26</del> 30	0	0	26
	<del>2023</del> 2024	26	0	0	<del>0</del> 3	0	<del>26</del> 23
	<del>2024</del> 2025	<del>26</del> 23	0	0	<del>3</del> 0	0	23
CO	<del>2022</del> 2023	6	0	0	0	0	6
	<del>2023</del> 2024	6	0	0	0	0	6
	<del>2024</del> 2025	6	0	0	0	0	6
CT	<del>2022</del> 2023	2	0	0	0	0	2
	<del>2023</del> 2024	2	0	0	0	<del>0</del> 2	<del>2</del> 0
	<del>2024</del> 2025	<del>2</del> 0	0	0	0	<del>2</del> 0	0
FL	<del>2022</del> 2023	22	0	<del>0</del> 1	0	0	<del>22</del> 23
	<del>2023</del> 2024	<del>22</del> 23	0	<del>1</del> 0	0	0	23
	<del>2024</del> 2025	23	0	0	0	0	23
GA	<del>2022</del> 2023	21	0	0	0	0	21
	<del>2023</del> 2024	21	0	<del>0</del> 2	0	0	<del>21</del> 23
	<del>2024</del> 2025	<del>21</del> 23	0	<del>2</del> 0	0	0	23
IL	<del>2022</del> 2023	8	0	0	0	0	8
	<del>2023</del> 2024	8	0	0	0	0	8
	<del>2024</del> 2025	8	0	0	0	0	8
IN	<del>2022</del> 2023	1	0	0	0	0	1
	<del>2023</del> 2024	1	0	0	0	0	1
	<del>2024</del> 2025	1	0	0	0	0	1
KS	<del>2022</del> 2023	2	0	0	0	0	2
	<del>2023</del> 2024	2	0	0	0	0	2
	<del>2024</del> 2025	2	0	0	0	0	2
KY	<del>2022</del> 2023	4	0	0	0	0	4
	<del>2023</del> 2024	4	0	0	0	0	4
	<del>2024</del> 2025	4	<del>0</del> 1	0	0	0	<del>4</del> 5
LA	<del>2022</del> 2023	4	0	0	0	0	4
	<del>2023</del> 2024	4	0	0	0	0	4
	<del>2024</del> 2025	4	0	<del>0</del> 1	0	0	<del>4</del> 5
MA	<del>2022</del> 2023	3	0	0	0	0	3
	<del>2023</del> 2024	3	0	0	0	0	3
	<del>2024</del> 2025	3	0	0	0	0	3
MD	<del>2022</del> 2023	2	0	<del>0</del> 3	0	0	2
	<del>2023</del> 2024	<del>2</del> 5	0	<del>3</del> 0	0	0	<del>2</del> 5
	<del>2024</del> 2025	5	0	0	0	0	5

State	Year	Stores at Start of Year	Stores Opened	Stores Reacquired from Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at End of the Year
MI	<a href="#">2022</a> <a href="#">2023</a>	12	0	0	0	0	12
	<a href="#">2023</a> <a href="#">2024</a>	12	0	0	0	0	12
	<a href="#">2024</a> <a href="#">2025</a>	12	0	0	0	0	12
MO	<a href="#">2022</a> <a href="#">2023</a>	9	0	0	0	0	9
	<a href="#">2023</a> <a href="#">2024</a>	9	0	0	0	0	9
	<a href="#">2024</a> <a href="#">2025</a>	9	0	0	0	0	9
MS	<a href="#">2022</a> <a href="#">2023</a>	2	0	0	0	0	2
	<a href="#">2023</a> <a href="#">2024</a>	2	0	0	0	0	2
	<a href="#">2024</a> <a href="#">2025</a>	2	0	0	0	0	2
NC	<a href="#">2022</a> <a href="#">2023</a>	9	0	0	0	0	9
	<a href="#">2023</a> <a href="#">2024</a>	9	0	0	0	0	9
	<a href="#">2024</a> <a href="#">2025</a>	9	0	0	0	0	9
NH	<a href="#">2022</a> <a href="#">2023</a>	1	0	0	0	0	1
	<a href="#">2023</a> <a href="#">2024</a>	1	0	0	0	0	1
	2024	1	0	0	0	0	1
NJ	<a href="#">2022</a> <a href="#">2023</a>	1	0	0	0	0	1
	<a href="#">2023</a> <a href="#">2024</a>	1	0	0	0	0	1
	<a href="#">2024</a> <a href="#">2025</a>	1	0	<del>0</del> <u>1</u>	0	0	<del>1</del> <u>2</u>
NM	<a href="#">2022</a> <a href="#">2023</a>	1	0	0	0	0	1
	<a href="#">2023</a> <a href="#">2024</a>	1	0	0	0	0	1
	<a href="#">2024</a> <a href="#">2025</a>	1	0	0	0	0	1
NV	<a href="#">2022</a> <a href="#">2023</a>	3	0	0	0	0	3
	<a href="#">2023</a> <a href="#">2024</a>	3	0	0	0	0	3
	<a href="#">2024</a> <a href="#">2025</a>	3	0	0	0	0	3
NY	<a href="#">2022</a> <a href="#">2023</a>	2	0	0	0	0	2
	<a href="#">2023</a> <a href="#">2024</a>	2	0	0	0	0	2
	<a href="#">2024</a> <a href="#">2025</a>	2	0	0	0	0	2
OH	<a href="#">2022</a> <a href="#">2023</a>	<del>19</del> <u>18</u>	0	0	<del>10</del> <u>0</u>	0	18
	<a href="#">2023</a> <a href="#">2024</a>	18	0	0	0	0	18
	<a href="#">2024</a> <a href="#">2025</a>	18	0	0	0	0	18
OK	<a href="#">2022</a> <a href="#">2023</a>	1	0	0	0	0	1
	<a href="#">2023</a> <a href="#">2024</a>	1	0	0	0	0	1
	<a href="#">2024</a> <a href="#">2025</a>	1	0	0	0	0	1
OR	<a href="#">2022</a> <a href="#">2023</a>	0	0	0	0	0	0
	<a href="#">2023</a> <a href="#">2024</a>	0	0	<del>0</del> <u>2</u>	0	0	<del>0</del> <u>2</u>
	<a href="#">2024</a> <a href="#">2025</a>	<del>0</del> <u>2</u>	0	<del>2</del> <u>0</u>	0	0	2
PA	<a href="#">2022</a> <a href="#">2023</a>	5	0	0	0	0	5
	<a href="#">2023</a> <a href="#">2024</a>	5	0	0	0	0	5
	<a href="#">2024</a> <a href="#">2025</a>	5	0	0	0	0	5
SC	<a href="#">2022</a> <a href="#">2023</a>	4	0	0	0	0	4
	<a href="#">2023</a> <a href="#">2024</a>	4	0	0	0	0	4
	<a href="#">2024</a> <a href="#">2025</a>	4	0	0	0	0	4

State	Year	Stores at Start of Year	Stores Opened	Stores Reacquired from Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at End of the Year
TN	<del>2022</del> 2023	11	0	0	0	0	11
	<del>2023</del> 2024	11	0	0	0	0	11
	<del>2024</del> 2025	11	0	0	0	0	11
TX	<del>2022</del> 2023	23	0	0	0	0	23
	<del>2023</del> 2024	23	0	0	0	0	23
	<del>2024</del> 2025	23	<del>0</del> 1	0	0	0	<del>23</del> 24
UT	<del>2022</del> 2023	4	0	0	0	0	4
	<del>2023</del> 2024	4	0	0	0	0	4
	<del>2024</del> 2025	4	0	0	0	0	4
VA	<del>2022</del> 2023	4	0	<del>0</del> 1	0	0	<del>4</del> 5
	<del>2023</del> 2024	<del>4</del> 5	<del>0</del> 2	<del>1</del> 0	0	0	<del>5</del> 7
	<del>2024</del> 2025	<del>5</del> 7	<del>2</del> 0	0	0	0	7
WA	<del>2022</del> 2023	1	0	0	0	0	1
	<del>2023</del> 2024	1	0	0	0	0	1
	<del>2024</del> 2025	1	0	0	0	0	1
<b>TOTALS</b>	<del>2022</del> 2023	<del>200</del> 225	0	<del>2</del> 65	<del>1</del> 0	0	<del>225</del> 230
	<del>2023</del> 2024	<del>225</del> 230	<del>0</del> 2	<del>5</del> 4	<del>0</del> 3	<del>0</del> 2	<del>230</del> 231
	<del>2024</del> 2025	<del>230</del> 231	2	<del>4</del> 3	<del>3</del> 0	<del>2</del> 0	<del>231</del> 236

**Table No. 5**  
**Projected Openings as of September ~~29, 2024~~28, 2025**

State	Franchise Agreements Signed But Store Not Open	Projected New Franchised Stores In Next Fiscal Year	Projected New Company-Owned Stores In Next Fiscal Year
AL	1	1	0
<del>FL</del> AZ	<del>1</del> 0	1	0
CA	<u>1</u>	<u>3</u>	<u>0</u>
<del>KY</del> CO	0	0	1
FL	<u>2</u>	<u>2</u>	<u>1</u>
IA	<u>0</u>	<u>1</u>	<u>0</u>
MD	<del>1</del> 0	1	0
MN	1	<del>1</del> 2	0
<del>RI</del> NC	0	1	0
TN	<del>1</del> 0	1	0
TX	0	0	1
VA	<u>0</u>	<u>1</u>	<u>0</u>
<b>TOTAL</b>	5	<del>6</del> 14	<del>2</del> 3

**Table No. 6**  
**Systemwide Seasonal Store Summary**  
**For Years 2023-2025<sup>1</sup>**

<u>Store Type</u>	<u>Year</u>	<u>Seasonal Stores at the Start of the Year</u>	<u>Seasonal Stores at the End of the Year</u>	<u>Net Change</u>
<u>Franchised Stores</u>	<u>2023</u>	<u>6</u>	<u>6</u>	<u>0</u>
	<u>2024</u>	<u>6</u>	<u>4</u>	<u>-2</u>
	<u>2025</u>	<u>4</u>	<u>4</u>	<u>0</u>
<u>Company-Owned Stores</u>	<u>2023</u>	<u>48</u>	<u>52</u>	<u>+4</u>
	<u>2024</u>	<u>52</u>	<u>57</u>	<u>+5</u>
	<u>2025</u>	<u>57</u>	<u>59</u>	<u>+2</u>
<u>Total Stores</u>	<u>2023</u>	<u>54</u>	<u>58</u>	<u>+4</u>
	<u>2024</u>	<u>58</u>	<u>61</u>	<u>+3</u>
	<u>2025</u>	<u>61</u>	<u>63</u>	<u>+2</u>

**Table No. 7**  
**Transfers of Seasonal Stores from Franchisees to New Owners**  
**(Other than HBH)**  
**For Years 2023-2025<sup>1</sup>**

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
<u>Total All States</u>	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
	<u>2025</u>	<u>0</u>

**Table No. 8**  
**Status of Franchised Seasonal Stores**  
**For Fiscal Years 2023-2025<sup>1</sup>**

<u>State</u>	<u>Year</u>	<u>Seasonal Stores at Start of Year</u>	<u>Seasonal Stores Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations -Other Reasons</u>	<u>Seasonal Stores at End of the Year</u>
<u>MI</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>NC</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

<u>State</u>	<u>Year</u>	<u>Seasonal Stores at Start of Year</u>	<u>Seasonal Stores Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations -Other Reasons</u>	<u>Seasonal Stores at End of the Year</u>
<u>OR</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>SC</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>WA</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTALS</u>	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>4</u>
	<u>2025</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

**Table No. 9**  
**Status of Company-Owned Seasonal Stores**  
**For Fiscal Years 2023-2025<sup>1</sup>**

<u>State</u>	<u>Year</u>	<u>Stores at Start of Year</u>	<u>Stores Opened</u>	<u>Stores Reacquired from Franchisees</u>	<u>Stores Closed</u>	<u>Stores Sold to Franchisees</u>	<u>Stores at End of the Year</u>
<u>AL</u>	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2025</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>AR</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>AZ</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>CO</u>	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2025</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>FL</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

<u>State</u>	<u>Year</u>	<u>Stores at Start of Year</u>	<u>Stores Opened</u>	<u>Stores Reacquired from Franchisees</u>	<u>Stores Closed</u>	<u>Stores Sold to Franchisees</u>	<u>Stores at End of the Year</u>
<u>GA</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>IL</u>	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2025</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>IN</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>KY</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>LA</u>	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MD</u>	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>MI</u>	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2025</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>MS</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MO</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>NV</u>	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NC</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>OH</u>	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2024</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2025</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>

<u>State</u>	<u>Year</u>	<u>Stores at Start of Year</u>	<u>Stores Opened</u>	<u>Stores Reacquired from Franchisees</u>	<u>Stores Closed</u>	<u>Stores Sold to Franchisees</u>	<u>Stores at End of the Year</u>
<u>OK</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>OR</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>PA</u>	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2025</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>TN</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>TX</u>	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2024</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2025</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
<u>UT</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>VA</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>WA</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>TOTALS</u>	<u>2023</u>	<u>48</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52</u>
	<u>2024</u>	<u>52</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>57</u>
	<u>2025</u>	<u>57</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59</u>

**Table No. 10**  
**Projected Seasonal Store Openings as of September 28, 2025**

<u>State</u>	<u>Franchise Agreements Signed But Seasonal Store Not Open</u>	<u>Projected New Franchised Seasonal Stores In Next Fiscal Year</u>	<u>Projected New Company-Owned Seasonal Stores In Next Fiscal Year</u>
<u>AL</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>AR</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>FL</u>	<u>0</u>	<u>0</u>	<u>1</u>

<u>State</u>	<u>Franchise Agreements Signed But Seasonal Store Not Open</u>	<u>Projected New Franchised Seasonal Stores In Next Fiscal Year</u>	<u>Projected New Company-Owned Seasonal Stores In Next Fiscal Year</u>
<u>LA</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>PA</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>TX</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>UT</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>VA</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>10</u>

### NOTES TO TABLES 1 THROUGH 5

1. The numbers for ~~2022~~2023 to ~~2024~~2025 are as of our fiscal year end of September ~~25, 2022, September~~ 24, 2023, September 29, 2024, and September ~~29, 2024~~28, 2025. If multiple events occurred that affected a Store, the tables show the event that occurred last in time.

~~2. Our affiliate, HBH Licensing, LLC, previously had a license from HBH Co. to grant licenses to franchisees in the state of California. On August 31, 2022, we acquired 26 Stores in California from a subfranchisee of HBH Licensing, LLC and received an assignment of 9 franchise agreements for franchised Stores in California from this subfranchisee.~~

3. A list of franchisees as of September ~~29, 2024~~28, 2025 is attached as Exhibit J. Contact information for each franchisee who has had a franchise terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or has not been communicated with us within 10 weeks of the date of this disclosure document is also included in Exhibit J. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

4. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the HoneyBaked franchise system. While we encourage you to speak with current and former franchisees, be aware that not all such franchisees will be able to communicate with you. During our past three fiscal years, none of our current or former franchisees signed an agreement restricting his or her ability to speak openly about his or her experiences with us.

5. We created and support the Franchise Advisory Council (“FAC”) located at 3875 Mansell Road, Alpharetta, Georgia 3022-1532. Contact ~~Kevin Koons, Chief Operating Officer~~Jerry DeFeo, Vice President of Franchise Operations at (678) 966-3220 or by e-mail at ~~kkoons~~jdfeo@hbham.com.

### ITEM 21 FINANCIAL STATEMENTS

Exhibit K to this disclosure document includes our audited financial statements dated as of September ~~25, 2022, September~~ 24, 2023, September 29, 2024, and September ~~29, 2024~~ and our ~~unaudited financial statements for the period ending August 3~~28, 2025.

**ITEM 22**  
**CONTRACTS**

The following agreements related to a franchised Store are attached as Exhibits to this disclosure document:

Exhibit B	Confidentiality Agreement
Exhibit C	Area Development Agreement
Exhibit D	Franchise Agreement
Exhibit E	State Specific Agreement and Disclosure Document Addenda
Exhibit F	VetFran Addendum to Development Agreement
Exhibit H	Training Participation and Nondisclosure Agreement
Exhibit I	Noncompetition and Nondisclosure Agreement
Exhibit M	CMS Support Agreement
<a href="#">Exhibit N</a>	<a href="#">Seasonal Store Addendum to Franchise Agreement</a>
Exhibit <del>N</del> <a href="#">O</a>	<del>N</del> <a href="#">O</a> .1. Multi-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement
	<del>N</del>
	<a href="#">O</a> .2 Single-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement

We also require that you fill out our Franchisee Disclosure Questionnaire before signing the Area Development and/or Franchise Agreements. Our current form of Franchisee Disclosure Questionnaire is attached as Exhibit L.

**ITEM 23**  
**RECEIPTS**

The last two pages of this disclosure document are detachable Receipts that evidence your receipt of this Disclosure Document. You should sign and date both Receipts *as of the date you receive this Disclosure Document*, keep one Receipt for your records, and return the other Receipt to us.

**EXHIBIT A**

**LIST OF STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: http://www.dfpi.ca.gov</p>	<p><b>NEW YORK</b>          NYS Department of Law          Investor Protection Bureau          28 Liberty St. 21st Fl          New York, NY 10005          (212) 416-8222</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Insurance &amp; Securities Department          600 East Boulevard Avenue          Bismarck, North Dakota 58505-0510          (701) 328-2910</p>
<p><b>ILLINOIS</b>          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2nd Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1st Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Department of Financial Institutions          Securities Division          P.O. Box 41200          Olympia, Washington 98504-1200          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Minnesota Department of Commerce          85 7th Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a></p>	<p><b>NEW YORK</b>          New York Secretary of State          One Commerce Plaza          99 Washington Avenue          Albany, NY 12231          (518) 473-2492</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Insurance Commissioner          North Dakota Insurance &amp; Securities Department          600 East Boulevard Avenue          Bismarck, North Dakota 58505-0510          (701) 328-2910</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business Regulation          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Director of the Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1<sup>st</sup> Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Director of Department of Financial Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Commissioner of Commerce          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT B**  
**CONFIDENTIALITY AGREEMENT**

## CONFIDENTIALITY AGREEMENT

**THIS CONFIDENTIALITY AGREEMENT** (this “Agreement”) is made as of the date set forth on the last page of this Agreement by the individual(s) identified on the signature page to this Agreement (individually and collectively, “Potential Franchisee”) in favor of and for the benefit of The HBH Franchise Company, LLC (“HBH”).

### RECITALS

Potential Franchisee has expressed interest in purchasing a franchise from HBH to develop one or more HoneyBaked Store(s) (“Franchise”). In order to evaluate the possibility of purchasing a Franchise from HBH, Potential Franchisee desires to receive from HBH certain confidential business information. Potential Franchisee recognizes the importance of maintaining the confidentiality of this information.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Prospective Franchisee agrees as follows:

#### 1. **Confidential Information**

**A. Definition of Confidential Information.** As used in this Agreement, the term “Confidential Information” means all information about HBH or its affairs that HBH or its representatives furnish to Potential Franchisee. Confidential Information includes, but is not limited to, HBH’s confidential and proprietary Franchise Operations Manual, or any portion of its contents, trade-secrets, know-how, methodologies, processes, formulas, specifications, HoneyBaked System information, operating procedures and standards, technical information, statistics, software, hardware, materials, plans, designs, schematics, reports, studies, notes, analyses, summaries, business, market and development plans and programs, financial information and projections, information regarding the retail and commercial operations of HBH and its affiliates, and all information that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; or (3) is designated by HBH as confidential or proprietary. Confidential Information may be in written form or obtained orally. As used in this Agreement, the term “representatives” of a party shall include the directors, officers, employees, shareholders or other securities holders, partners, members, trustees, agents, lenders, advisors, subsidiaries and other foreign and domestic affiliates and/or related entities of a party.

**B. Treatment of Confidential Information.** Potential Franchisee acknowledges, understands and agrees that the Confidential Information: (1) is the exclusive and confidential property of HBH or its affiliates and incorporates trade secrets and copyrights owned by them; (2) gives HBH and its affiliates some competitive business advantage or the opportunity of obtaining such an advantage, the disclosure of which could be detrimental to the interests of HBH and its affiliates; and (3) is not generally known by non-HBH personnel. Potential Franchisee shall at all times treat the Confidential Information in accordance with this Agreement.

**C. No Warranty.** Although Potential Franchisee understands that HBH has endeavored to include in the Confidential Information material known to it which it believes to be relevant for Potential Franchisee’s purposes, Potential Franchisee further understands that HBH does not make any representation

or warranty as to the accuracy or completeness of the Confidential Information. Potential Franchisee further acknowledges that HBH has not and will not make representations or warranties as to the potential sales at a HoneyBaked Store, and no information supplied by HBH shall be construed as a prediction of future sales. Potential Franchisee agrees that neither HBH nor its representatives shall have any liability to Potential Franchisee, Potential Franchisee's representatives or any other person resulting from the use of the Confidential Information.

**D. No License.** This Agreement entitles Potential Franchisee to use the Confidential Information solely in connection with Potential Franchisee's exploration of the opportunity to purchase a Franchise. No license, express or implied, in the Confidential Information is granted to Potential Franchisee other than to use the Confidential Information in the manner and to the extent authorized by this Agreement. Except for the obligations of Potential Franchisee set forth in this Agreement, neither Potential Franchisee nor HBH shall be under any obligation to enter into any additional agreements and/or contractual obligations with the other of any nature whatsoever as a result of this Agreement, including, without limitation, with respect to the possible sale of a Franchise.

## **2. Covenants of Potential Franchisee.**

As a consequence of Potential Franchisee's acquisition or anticipated acquisition of Confidential Information, Potential Franchisee will occupy a position of trust and confidence with respect to HBH's affairs and business. In view of the foregoing, Potential Franchisee agrees that it is reasonable and necessary that Potential Franchisee agree, while this Agreement is in effect, to the following:

**A. No Disclosure.** Potential Franchisee shall use the Confidential Information solely for purposes of evaluating whether or not Potential Franchisee will purchase a Franchise. Potential Franchisee shall not disclose the Confidential Information to any person or entity other than Potential Franchisee's attorney, accountant or other representatives as necessary to evaluate the opportunity provided by HBH and agrees to protect the Confidential Information against unauthorized disclosure using the same degree of care, but no less than a reasonable degree of care, as Potential Franchisee uses to protect Potential Franchisee's confidential information. Potential Franchisee represents that it has its own procedures in place to assure that its representatives are aware of their obligations to retain in confidence any Confidential Information they receive. Without in any way limiting the generality of Potential Franchisee's obligations under this Agreement, Potential Franchisee acknowledges and agrees that in no event will Potential Franchisee disclose any of the Confidential Information to any of HBH's competitors.

**B. No Use, Copying or Transfer.** Potential Franchisee shall not use, copy or transfer Confidential Information in any way and shall protect the Confidential Information against unauthorized use, copying or transfer using the same degree of care, but no less than a reasonable degree of care, as Potential Franchisee uses to protect Potential Franchisee's confidential information. Potential Franchisee further agrees not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any Confidential Information.

**C. Applicability.** These covenants shall apply to all Confidential Information disclosed to Potential Franchisee by HBH prior to the date of this Agreement.

**D. Return and/or Destruction of Confidential Information.** If, at any time, HBH determines that it does not wish for Potential Franchisee to purchase a Franchise or Potential Franchisee determines that it does not wish to purchase a Franchise, or if HBH requests, at any time and for any reason, that Potential Franchisee do so, Potential Franchisee agrees to: **(1)** immediately cease to use the Confidential Information; **(2)** immediately return, or destroy the Confidential Information and all copies thereof (whether or not such copies were authorized) and cause any third party to whom disclosure was made to do the same; and **(3)** at the request of HBH, certify in writing that Potential Franchisee and all

others to whom Potential Franchisee has provided such Confidential Information, have complied with subsections (1) and (2) above.

3. **Waiver.** Potential Franchisee acknowledges that no waiver by HBH of any breach by Potential Franchisee of any provision of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.

4. **Enforcement.**

A. **Governing Law.** This Agreement is governed by and will be construed exclusively in accordance with the laws of the State of Georgia (without regard to Georgia conflicts of law principles).

B. **Choice of Forum.** All disputes arising under this Agreement will be heard only in the federal or state courts in the state in which HBH has its principal place of business at the time any proceeding relating to such matter is filed. Potential Franchisee consents to venue in Fulton County, Georgia, or such other county where the principal place of business of HBH is then located, and irrevocably and unconditionally waive any rights they may have to assert jurisdiction or venue in any other court, administrative forum, or other adjudicative body.

C. **Injunctive Relief.** Potential Franchisee understands that any violation of this Agreement will cause HBH immediate and irreparable harm which money damages cannot adequately remedy. Therefore, Potential Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Potential Franchisee, HBH shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by HBH shall be in addition to, and not in lieu of, all remedies and rights that HBH otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

5. **Miscellaneous.**

A. **Headings.** Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

B. **Severability.** If a court of competent jurisdiction deems any provision of this Agreement invalid, unreasonable or unenforceable, then the remaining provisions will not be affected and the invalid provisions may be enforced to the extent deemed reasonable by the courts.

C. **Entire Agreement.** This Agreement is the entire agreement concerning the subject matter and supersedes any prior agreements concerning the subject matter hereof. No amendment or modification of this Agreement shall be valid or binding unless made in a mutually executed writing.

IN WITNESS WHEREOF, Potential Franchisee has executed this Agreement as of the date noted below.

**POTENTIAL FRANCHISEE:**

**Name:** \_\_\_\_\_

**Name:** \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

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

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

Home Address: \_\_\_\_\_  
\_\_\_\_\_

Home Address: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT C**  
**AREA DEVELOPMENT AGREEMENT**

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**THE HBH FRANCHISE COMPANY, LLC**  
**AREA DEVELOPMENT AGREEMENT**

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**Exhibits:**

- Exhibit A – Development Information
- Exhibit B – Covenant and Guaranty of Owners
- Exhibit C – Form of Addendum to Lease

## THE HBH FRANCHISE COMPANY, LLC

### AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (“Agreement”) is made and entered into as of the date set forth on Exhibit A attached hereto (“Effective Date”) (Exhibit A and all other exhibits hereto are hereby incorporated herein by this reference) in Alpharetta, Fulton County, Georgia between **The HBH Franchise Company, LLC**, a Georgia limited liability company located at 3875 Mansell Road, Alpharetta, Georgia 30022-1532 (“HBH”) and the person or entity identified on Exhibit A (“Developer”).

#### 1. RECITALS

HBH franchises stores specializing in the sale of hams (“Specialty Hams”) and turkeys (“Turkeys”) and other items approved by HBH and which include an on-site store that serves sandwiches, salads, beverages and other items approved by HBH. These stores, known as “HoneyBaked” stores, conduct business under a business format utilizing certain common standards, specifications, methods, procedures, recipes, techniques, management systems and proprietary and trade secret information for the preparation and sale of Specialty Hams, Turkeys, and related food and beverage products and other items (the “HoneyBaked System”).

This trade secret and proprietary process for Specialty Hams and Turkeys is owned by The Honey Baked Ham Company, LLC, a Delaware limited liability company (“Licensor”). The trade secret and proprietary process for producing the Specialty Hams includes, but is not limited to, a selection process, tracking system, pickle formula, smoke schedule and a meat processing company selected by Licensor that processes and sells hams to HBH which are then finished and prepared by HBH for retail sale in accordance with Licensor’s specific procedures and specifications. Licensor also owns, uses, promotes and licenses certain valuable trademarks, service marks, logos, designs and commercial symbols in connection with the operation of “HoneyBaked” stores across the United States (“HBH Stores”), including the marks “The Honey Baked Ham Co.,” “Honey Baked Ham,” “HoneyBaked,” and such other marks that Licensor has designated, or may in the future designate, for use with the HoneyBaked System. The marks used to identify the HoneyBaked System, including the principal marks (the “Marks”) may be modified by Licensor from time to time in its sole discretion.

Licensor has granted to HBH and its affiliated companies certain exclusive rights and licenses to market and sell Specialty Hams, Turkeys and related food and beverage products and other items under the Marks in various geographic areas of the United States, including the state where Developer’s Development Area (as defined in Section 2.1) is located.

HBH desires to grant to Developer the right to develop one or more HBH Stores (collectively, the “Stores” and individually, a “Store”) within the Development Area.

Developer desires to be granted the opportunity, subject to the terms and conditions of this Agreement, to develop the Stores and to operate the Stores upon the terms and conditions contained in HBH’s standard form of franchise agreement, as the same may be amended from time to time (all such franchise agreements entered into between HBH and Developer for all of the Stores developed pursuant to this Agreement shall be referred to as “Franchise Agreements”).

## 2. GRANT

**2.1 Development Rights.** HBH hereby grants to Developer, subject to the terms and conditions set forth in this Agreement, the right to develop Stores at specific locations to be designated in separate Franchise Agreements pursuant to the schedule set forth in Exhibit A to this Agreement (the “Development Schedule”). Each Store developed pursuant to this Agreement shall be located within the area designated on Exhibit A (the “Development Area”). This Agreement is not a franchise agreement. It does not give Developer the right to operate HBH Stores or use the HoneyBaked System. This Agreement only gives Developer the opportunity to enter into Franchise Agreements for the operation of HBH Stores at locations in the Development Area approved by HBH. Each Store developed pursuant to this Agreement shall be established and operated in strict accordance with a separate Franchise Agreement.

**2.2 Limited Exclusivity.** During the term of this Agreement, HBH will not operate, or license others to operate, any new HBH Stores in the Development Area, provided that Developer is in compliance with the terms of this Agreement and any other agreements with HBH and its affiliates and is current on all obligations due HBH and its affiliates. This Section 2.2 does not prohibit HBH, Licensor or any other party licensed to use the Mark (“HBH Parties”), from: (a) operating HBH Stores in the Development Area that are open and operating or under development as of the Effective Date; (b) during the term of this Agreement, operating, and licensing others to operate, HBH Stores at any location outside the Development Area; (c) after this Agreement terminates or expires, operating, and licensing others to operate, HBH Stores at any location. Developer acknowledges that the development rights granted under this Agreement are non-exclusive and that, except as expressly provided in this Section 2.2, Developer has no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of other or future HBH Stores under the Marks, or on any sales or distribution of products under the Marks or other business activities of the HBH Parties.

**2.3 Reservation of Rights.** HBH expressly reserves the rights for itself and on behalf of the HBH Parties to: (a) establish anywhere (within or outside the Development Area) franchises, licenses and company owned outlets selling products and providing services which are the same or similar to those sold or provided at HBH Stores under any names, trademarks, service marks, logos or symbols other than the Marks; (b) sell anywhere (within or outside the Development Area) the same or similar products authorized for HBH Stores under the Marks or under other trademarks or trade dress and through any channels of distribution within the Development Area, whether such channel of distribution is now in existence or is hereafter developed and whether at retail or wholesale including, without limitation, sales through catalogs, e-commerce, mail order, carts or kiosks, mass merchandise, supermarkets, grocers, restaurants, institutional customers, club stores and any other outlet or method of distribution, pursuant to any terms and conditions as HBH or HBH Parties may deem appropriate; (c) issue competing franchises or operate competing businesses for or at locations near Developer’s Store(s) (within or outside the Development Area); (d) engage in other activities not expressly prohibited in this Agreement; and (e) offer and sell products and provide services under the Marks to (1) customers that are located within the Development Area that are customers of HBH or its affiliates as of the Effective Date, and (2) new customers developed by HBH’s or its affiliates’ sales department within the Development Area after the Effective Date. Any of the foregoing actions described in (a) through (e) above shall not constitute a breach or default under this Agreement or of any other obligation, express or implied, which HBH may owe to Developer in law or in equity. Developer further acknowledges that any HBH Store conducting business as of the Effective Date within the Development Area shall not violate or cause a breach of this Section 2 and shall not constitute an exception to the rights granted herein. Developer has no right to use the Marks in connection with any business other than that licensed in a Franchise Agreement, and HBH and Licensor retain all rights not granted by this Agreement.

### 3. DEVELOPMENT FEE

Contemporaneously with the execution and delivery of this Agreement, Developer has paid to HBH ~~an amount equal to \_\_\_\_\_ thousand dollars (\$\_\_\_\_,000) multiplied by the number of Stores which Developer has agreed to develop in the Development Area (the "Development Fee") as set forth in the Development Schedule. The total Development Fee paid by Developer is~~ the Development Fee set forth on Exhibit A. The Development Fee is fully earned by HBH when paid and is not refundable. ~~[Drafting Note: \$5,000 existing franchisee; \$15,000 otherwise unless Development Incentive Program.]~~

### 4. TERM

This Agreement expires on the earlier of the actual opening date or the opening deadline in the Development Schedule of the final Store to be developed undeleeleer this Agreement, unless earlier terminated as hereinafter provided.

### 5. STORE DEVELOPMENT

**5.1 Development Schedule.** Developer shall obtain HBH's acceptance of a site for each Store by the site acceptance deadline and open each Store by the opening deadline in full compliance with the Development Schedule set forth on the attached Exhibit A. Failure by Developer to adhere to the Development Schedule shall constitute a default under this Agreement.

**5.2 Acceptance of Store Locations.** Developer shall select a site for each Store within the Development Area. HBH will provide to Developer demographic data related to the Development Area. Developer shall submit to HBH a request for site acceptance and any other information HBH requires about the site or the condition of any improvements thereon. HBH will accept or reject Developer's proposed site within thirty (30) days after Developer submits all required site information to HBH. Developer shall not lease or agree to purchase any premises for the operation of a Store until HBH has accepted the site in writing, which acceptance may be arbitrarily withheld. Developer hereby acknowledges and agrees that HBH's acceptance of a proposed site shall not constitute a warranty or guarantee of any kind as to the potential success of the Store at that site. Developer must submit information for at least one prospective location for the first Store to be developed under this Agreement within sixty (60) days after the Effective Date and must obtain HBH's acceptance of each Store location by the site acceptance deadline in the Development Schedule.

**5.2 Lease or Purchase of Store.** Before executing any binding letter of intent, lease, purchase agreement or other document by which Developer would commit to occupy or acquire a location for any Store to be established hereunder, Developer must obtain HBH's approval of the site for the Store. Thereafter, Developer shall execute and deliver to HBH copies of HBH's then-current standard form of Franchise Agreement with respect to such Store, pay the initial franchise fee to HBH in accordance with the terms of such Franchise Agreement; and HBH must countersign such Franchise Agreement. Each Store and the site on which it is located may be leased or owned by Developer. Any lease, and any mortgage or other encumbrance with respect to Developer's leasehold interest or title, shall, unless HBH otherwise consents in writing:

- (a) Include provisions such as those set forth in HBH's form of Addendum to Lease (the current form of which is attached as Exhibit C), as modified from time to time;
- (b) Cover only the Store and the site on which the Store is located;

(c) Provide that HBH will receive written notice from the landlord or mortgagee and Developer of any default by Developer and that HBH will have a right (but not the obligation) for a period of at least thirty (30) days to cure such default and to succeed to Developer's rights under the lease, mortgage or other encumbrance;

(d) Provide that HBH or its designee shall have the right to assume (and, if a lease, to assign to a third party who assumes HBH's obligations under the lease) such lease, mortgage or other encumbrance upon Developer's default or termination thereunder or upon termination or expiration of this Agreement or any renewal of this Agreement or upon exercise of HBH's option to purchase provided in the Franchise Agreement for the Store;

(e) In the case of a lease, provide for a term or lessee options to renew for a period at least equal to the initial term of the Franchise Agreement for the Store;

(f) In the case of a lease, provide that Developer and any successor or assignee of Developer shall have the right to sublease or assign for all or any part of the term, but that Developer is prohibited from subleasing or assigning all or any part of its occupancy rights without HBH's prior written consent;

(g) In the case of a lease, provide that the landlord consents to Developer's use of the Marks and such initial signage as HBH may prescribe from time to time for the Store, subject to compliance with applicable laws and regulations;

(h) In the case of a lease, provide that Developer and any successor or assignee of Developer and landlord shall not have the right to amend the lease without the prior consent of HBH;

(i) Provide that HBH shall have the right, upon reasonable advance notice, to enter the premises and remove signage from the Store;

(j) Provide that Developer shall have available for its use adequate parking for a refrigerated truck in close proximity to the Store; and

(k) Any lease, mortgage or other encumbrance to be entered into pursuant to this Agreement must be submitted to HBH for its review at least fifteen (15) days prior to execution. Developer shall furnish HBH with a copy of any executed lease, mortgage or other encumbrance within ten (10) days after execution. Developer shall notify HBH of any new lease, mortgage or other encumbrance on the property or any amendments to or extensions of new or existing leases, mortgages or other encumbrances and shall provide copies of all such documents to HBH upon request.

## **6. DEFAULT; TERMINATION**

**6.1 Termination by HBH.** HBH may terminate this Agreement effective upon delivery of a written notice to Developer if:

(a) Developer fails to establish and open the Stores in accordance with the Development Schedule, including without limitation the failure to execute a Franchise Agreement with HBH as required in Section 5, or to pay any initial franchise fee owed thereunder;

(b) Developer fails to pay when due any amount owed to HBH or its affiliates or subsidiaries, or any creditor or supplier of a Store or any taxing authority for federal state or local taxes

(other than amounts being bona fide disputed through appropriate proceedings), and Developer does not correct such failure within ten (10) calendar days after written notice is delivered to Developer;

(c) Any breach or event of default occurs under any Franchise Agreement, which permits HBH to terminate such Franchise Agreement, regardless of whether HBH in fact terminates the Franchise Agreement; or

(d) Developer or any of Developer's owners breaches or fails to comply fully with the provisions contained in Section 7.

Upon termination of this Agreement, Developer shall not be relieved of any of its obligations, debts or liabilities hereunder, including without limitation any debts, obligations or liabilities which have accrued before such termination. Termination by HBH of this Agreement shall not constitute an election of remedies by HBH. The exercise of the rights granted under this Section 6.1 are in addition to, and not in lieu of, any and all other rights and remedies available to HBH at law, in equity or otherwise, including without limitation the right to an injunction as set forth in Section 10.10, all of which are cumulative.

## 7. RESTRICTIVE COVENANTS

**7.1 In-Term Covenant.** Except as otherwise approved by HBH in writing, during the term of this Agreement, Developer and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto agree that Developer and such persons will not, directly or indirectly for the benefit of Developer or Developer's owners, or through or on behalf of or in conjunction with any other person or entity, engage in (a) any other business involved in the preparation or sale of whole or part hams or turkeys within the United States, or (b) any business that serves sandwiches, soups or salads within the United States. Nothing herein shall restrict Developer and Developer's owners' involvement with other HBH Stores operated under agreements with HBH.

**7.2 Post-Term Covenant.** Except as otherwise approved by HBH in writing, for a period of two (2) years after expiration or any earlier termination of this Agreement, Developer and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto agree that Developer and such persons will not, directly or indirectly for the benefit of Developer or Developer's owners, or through or on behalf of or in conjunction with any other person or entity, engage in (a) any other business involved in the preparation or sale of whole or part hams or turkeys within fifteen (15) miles of the border of the Development Area, or (b) any business that serves sandwiches, soups or salads within fifteen (15) miles of the border of the Development Area. Nothing herein shall restrict Developer and Developer's owner's involvement with other HBH Stores operated under agreements with HBH. The covenant contained in this paragraph shall not be deemed to impair, modify or change any covenant not to compete contained in any agreement for the purchase and sale of a Store.

**7.3 Ownership of Public Companies.** The covenants contained in Section 7.2 shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation whose stock is publicly traded.

**7.4 Trade Secrets and Confidential Information.** Developer and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto expressly covenant and agree that:

(a) in connection with the operation of HBH Stores and the HoneyBaked System, HBH, Licensor and their affiliates have developed at great expense competitively sensitive trade secrets and confidential information which are not commonly known by or available to the public, and that for purposes of this Agreement, "trade secrets" means information as defined in O.C.G.A. § 10-1-761(4), and

“Confidential Information” means any and all information and documentation, without regard to form, other than trade secrets, which relates to the operation of HBH Stores or the HoneyBaked System and which is confidential and proprietary to HBH, Licensor and/or their affiliates; provided, however, that trade secrets and Confidential Information do not include any information that (1) is commonly known by or available to the public, (2) has been voluntarily disclosed to the public by HBH, Licensor and/or their affiliates, (3) has been independently developed without reliance on trade secrets or Confidential Information or lawfully obtained by Developer, or (4) has otherwise entered the public domain through lawful means;

(b) for purposes of this Agreement, trade secrets and Confidential Information may include, but not be limited to, information (in whatever form) relating to or regarding the Marks, other proprietary matters pertaining to the HoneyBaked System, and other proprietary information regarding the development and operation of HBH Stores which HBH has designated as “confidential”; and

(c) during the term of this Agreement and (1) regarding Confidential Information, for a period of five (5) years after termination of this Agreement for any reason whatsoever, and (2) regarding trade secrets, for so long as such information remains a trade secret, Developer and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto will not, except only as required for the benefit of HBH in carrying out Developer’s duties pursuant to this Agreement, without the prior express written consent of HBH, directly or indirectly, divulge, disclose, convey or publish to any person or entity, or reproduce, use or apply for Developer’s own benefit, or the benefit of another or others, in any way, any trade secrets or Confidential Information. Developer also agrees that it and all of its employees and agents will observe all security measures implemented by HBH to protect its trade secrets and Confidential Information. Upon the request of HBH and, in any event, upon the termination or expiration of this Agreement, Developer will immediately return any and all copies or other reproductions of trade secrets or Confidential Information to HBH.

**7.5 Employee Confidentiality Agreements.** Developer shall cause each person who is actively involved in the development of Developer’s Stores pursuant to this Agreement, at the time of his employment, to enter into a “Confidentiality Agreement” in a form prescribed from time to time by HBH. Developer shall use its best efforts to prevent any such persons from violating the provisions of such Confidentiality Agreement and from using, in connection with the operation of any store or similar business wherever located, the HoneyBaked System or any of the Marks or from operating any store which looks like, copies or imitates any HBH Store or operates in a manner tending to have such effect. If Developer has reason to believe that any such person has violated the provisions of the Confidentiality Agreement described in this paragraph, Developer shall notify HBH and shall cooperate with HBH to protect HBH against infringement or other unlawful use of the Marks or the HoneyBaked System, including, but not limited to, the prosecution of any lawsuits if, in the judgment of HBH, such action is necessary or advisable.

**7.6 Owners of Entity Developer.** If Developer is a corporation, partnership or limited liability company (“LLC”), the owners of Developer, by executing the Covenant and Guaranty of Owners, shall be bound by the provisions contained in this Agreement, including the restrictions set forth in this Section 7. Further, a violation of any of the provisions of this Agreement, including the covenants contained in this Section 7, by any owner shall also constitute a violation by Developer of Developer’s obligations under this Agreement.

**7.7 Severability, Modification, Independent Construction and Survival.** Developer acknowledges and agrees that each of the covenants in this Section 7 are separate, distinct and severable from every other covenant, and in the event of the unenforceability (for any reason) of all or any part of any covenant, the remaining covenants shall remain enforceable. In the event of the unenforceability (for any reason) of all or any part of any covenant, each such covenant shall be modified to include only that portion which is enforceable, and the parties specifically request that the court (or other applicable forum) modify

any such covenant so that it shall be enforceable as modified so as to provide the greatest protection allowed by law to HBH; Developer represents, acknowledges and agrees that the covenants are not made in connection with any employment relationship. Additionally, each of the covenants shall be construed as an agreement independent of any other provision in this Agreement, and no claim or cause of action Developer may have against HBH shall constitute a defense to HBH's enforcement of any of such covenants. The covenants set forth in this Agreement shall expressly survive termination of this Agreement for any reason whatsoever.

## **8. ORGANIZATION OF DEVELOPER**

### **8.1 Representations.**

(a) If Developer is a legal entity such as a corporation, a LLC or a partnership, Developer makes the following representations and warranties: (1) it is duly organized and validly existing under the laws of the state of its formation; (2) it is qualified to do business in the state or states in which the Development Area is located; (3) execution of this Agreement and the development and operation of the Stores is permitted by its governing documents; and (4) unless waived in writing by HBH, Developer's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that the activities of Developer are limited exclusively to the development and operation of HBH Stores.

(b) If Developer is an individual, or a partnership comprised solely of individuals, Developer makes the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer for convenience of ownership, pursuant to Section 9.3, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

(c) Developer and its owners represent and warrant to HBH neither Developer nor its owners (1) have been designated as suspected terrorists under U.S. Executive Order 13244; (2) are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; (3) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13244, the Foreign Corrupt Practices Act, or any similar law.

**8.2 Governing Documents.** If Developer is a corporation, copies of Developer's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to HBH. If Developer is an LLC, copies of Developer's Articles of Organization, Management Agreement, other governing documents and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to HBH. If Developer is a partnership, copies of Developer's written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to HBH, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Developer's written partnership agreement. The organizational documents of any partnership, corporation or LLC owning the franchise, including all stock certificates, shall recite that they

are subject to all restrictions contained in this Agreement. When any of these governing documents are modified or changed, Developer promptly shall provide copies to HBH.

**8.3 Ownership Interests.** If Developer is a corporation, an LLC or a partnership, all interests in Developer are owned as set forth in attached Exhibit A. In addition, if Developer is a corporation, Developer shall maintain a current list of all owners of record and all beneficial owners of any class of securities of the corporation (and the number of shares owned by each). If Developer is an LLC, Developer shall maintain a current list of all members (and the percentage membership interest of each member). If Developer is a partnership, Developer shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Developer shall comply with Section 9 prior to any change in ownership interests and shall execute addenda to Exhibit A as changes occur in order to ensure the information contained in Exhibit A is true, accurate and complete at all times.

**8.4 Covenant and Guaranty of Owners.** Each present and future owner of a ten percent (10%) or greater equity interest in Developer including: (1) shareholders of a corporate Developer; (2) members of a LLC Developer; (3) partners of a partnership Developer; or (4) partners of a limited liability partnership Developer; shall jointly and severally guarantee Developer's performance of each and every provision of this Agreement by executing the Covenant and Guaranty of Owners in the form attached to this Agreement. In addition, HBH may require that the spouse (or domestic partner or other immediate family member) of a guarantor sign the Covenant and Guaranty of Owners.

## **9. ASSIGNMENT**

**9.1 By HBH.** This Agreement is fully assignable by HBH, and the assignee or other legal successor to HBH's interests will be entitled to all of the benefits of this Agreement. If HBH assigns its rights in this Agreement, nothing herein shall be deemed to require HBH to remain in the business of selling sliced and glazed hams, turkeys and related products, or to sell or offer to sell any products or services to Developer. Developer agrees that HBH has the right, now or in the future, to purchase, merge, acquire or affiliate with any existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "HoneyBaked" stores or businesses operating under the Marks or any other marks following HBH's purchase, merger, acquisition or affiliation. Developer further agrees and affirms that HBH may sell itself, its assets, its Marks and/or its HoneyBaked System to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leverage buy-out or other economic or financial restructuring.

**9.2 By Developer.** This Agreement has been entered into by HBH based in part on the experience, integrity and financial stability of Developer or Developer's owners (if Developer is a corporation, partnership or LLC). Accordingly, neither Developer nor any of Developer's owners may assign or transfer this Agreement, any interest in this Agreement or, if Developer is a corporation, partnership or LLC, any interest in the corporation, partnership or LLC without HBH's prior written consent, except as specifically authorized under this Agreement. Any attempted assignment or transfer not in accordance with this Agreement shall have no effect and shall constitute a breach of this Agreement.

### **9.3 Assignment to Corporation, Partnership or LLC.**

**(a)** If Developer is an individual or group of individuals who desire to assign this Agreement to a corporation, partnership or LLC formed for convenience of ownership, Developer shall advise HBH in writing of the proposed assignment and shall provide HBH with all documents to be executed in connection with any such assignment and all other information requested by HBH relating to

the proposed assignment. HBH shall not unreasonably withhold its consent to the assignment provided all of the following conditions are met:

(1) the corporation, partnership or LLC conducts no business other than the operation of one or more Stores (or other related activities authorized under this Agreement);

(2) at least fifty-one percent (51%) of each voting class of the shares, interests or units of the corporation, partnership or LLC are owned by the individual or individuals who signed this Agreement and their respective spouses and at least fifty-one percent (51%) of all classes of shares, interests or units of the corporation, partnership or LLC are owned by the individual or individuals who signed this Agreement and their respective spouses;

(3) the Stores are actively managed by such successor; and

(4) all shareholders, partners and members of such successor are acceptable to HBH, meet HBH's requirements as established from time to time, and all owners of a ten percent (10%) or greater equity interest in the successor entity agree to guarantee the obligations of the corporation, partnership or LLC under this Agreement and to be bound by the terms of this Agreement in the manner prescribed by HBH.

(b) HBH shall use its reasonable efforts to approve or disapprove the assignment within thirty (30) days after receipt. If HBH approves the assignment, Developer must comply with the requirements set forth in Section 8 of this Agreement. HBH shall also have the right to require, as a condition of its approval that the shareholders, partners or members enter into a buy/sell agreement among themselves in a form and containing such terms as HBH prescribes for transfers of ownership interests in such corporation, partnership or LLC. HBH reserves the right to assess a transfer fee against Developer sufficient to cover HBH's reasonable costs in effecting the transfer.

**9.4 Assignment or Transfer to Others.** Developer shall (i) notify HBH in writing at least sixty (60) days before any proposed sale, assignment or transfer of this Agreement or, if Developer is a corporation, partnership or LLC, any interest in the corporation, partnership or LLC ("Transfer Notice"); (ii) pay the transfer fee described below in subsection 9.4(i); and (iii) provide all information and documentation relating to the proposed transfer that HBH reasonably requests. If HBH does not exercise its right of first refusal provided in any Franchise Agreement, the decision as to whether or not to approve the proposed sale, assignment or transfer shall be made by HBH in its sole discretion and shall include numerous factors deemed relevant by HBH. These factors may include, but will not be limited to, the following:

(a) Developer (and Developer's owners if it is a corporation, partnership or LLC) are not in default under this Agreement, any Franchise Agreement or any other agreement with HBH or HBH's subsidiaries or affiliates or any other creditor or supplier of any Store;

(b) the proposed transferee (and its owners if it is a corporation, partnership or LLC) is acceptable to HBH and meets HBH's then-applicable standards for developers or owners;

(c) the proposed transferee has signed HBH's then-current form of standard Area Development Agreement for a term equal to the remaining term of this Agreement and assumes all of Developer's obligations under any other agreement between Developer and HBH, Licensor or their affiliates;

(d) if the proposed transferee is not also the transferee of all the Stores developed hereunder, or has not previously entered into a Franchise Agreement with HBH (which is still in full force and effect), such transferee has signed HBH's then-current form of Franchise Agreement;

(e) the proposed transferee and all persons designated by HBH have completed all required training to the extent required by HBH, at their own expense;

(f) all shareholders, partners and members of the proposed transferee are acceptable to HBH, meet HBH's requirements as established from time to time, and all owners of a ten percent (10%) or greater equity interest in the successor entity agree to guarantee the obligations of the corporation, partnership or LLC under this Agreement and to be bound by the terms of this Agreement in the manner prescribed by HBH.

(g) Developer (and Developer's owners if it is a corporation, partnership or LLC) executes a general release, in a form satisfactory to HBH, of any and all claims it may have against HBH (including any affiliated companies) and their officers, directors, shareholders, managers, members and employees, in their corporate and individual capacities;

(h) Developer (and its owners if it is a corporation, partnership or LLC) enters into a Noncompetition and Nondisclosure Agreement with HBH, in a form satisfactory to HBH; and

(i) Developer pays to HBH a transfer fee of ten thousand dollars (\$10,000) simultaneously with the submission of the Transfer Notice. HBH shall refund the transfer fee to Developer if HBH rejects the transfer request.

(j) Developer must provide HBH with all documents to be executed by Developer and/or Developer's owners and the proposed purchasers in connection with any transfer at least thirty (30) days prior to signing.

(k) The provisions of (c), (d) and (i) above shall not apply to an approved sale, transfer or assignment by one or more shareholders, partners or members owning in the aggregate less than a forty-nine percent (49%) interest in the corporation, partnership or LLC, provided that such transaction, when combined with any and all prior such sales, transfers and assignments, does not constitute a sale, transfer or assignment of a forty-nine percent (49%) or more interest or does not otherwise result in a change of control. Notwithstanding the foregoing, HBH reserves the right to assess a transfer fee against Developer sufficient to cover HBH's reasonable costs in effecting the transfer.

## **9.5 Death or Disability.**

(a) Upon Developer's death or Disability, this Agreement or the ownership interest of any deceased or disabled controlling shareholder, partner or member of Developer must be transferred to a party approved by HBH. Any transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers set forth in Section 9.4. HBH will not unreasonably withhold its consent to the transfer of this Agreement or any ownership interest to the deceased or disabled Developer's spouse, heirs or members of his or her immediate family or the spouse, subject to the requirements of Section 9.4, with the exception of subsection (h).

(b) Except as otherwise prescribed by HBH in writing, Developer's personal representative shall submit to HBH a proposal meeting the requirements for transfer of this Agreement or ownership interest within one hundred eighty (180) days after Developer's death or Disability.

(c) HBH agrees to communicate its approval or disapproval of such proposal within thirty (30) days of receipt of the same. Within sixty (60) days from the date after receipt of HBH's approval, Developer's personal representative shall complete the transfer of this Agreement or the ownership interest of any deceased or disabled controlling shareholder, partner or member.

(d) For the purpose of this Section 9.5, a "Disability" shall have occurred with respect to Developer if Developer, or, if Developer is a corporation, partnership or LLC, its controlling shareholder, partner or member, is unable to actively participate in Developer's activities for any reason for a continuous period of six (6) months. As used in this Section 9.5, "Developer" may include a disabled or deceased controlling shareholder, partner or member where the context so requires. Upon the death of any non-controlling shareholder, partner or member, such shareholder, partner or member's interest shall be transferred within a reasonable time to a person meeting HBH's requirements. All such transfers must also comply with Section 9.4 of this Agreement, subject to the exceptions provided in the last paragraph of that section. Developer's or any of Developer's owners' failure to transfer the interest in accordance with the provisions of this Section 9.5 shall be considered a material breach of this Agreement.

**9.6 Public Offering by Developer.** No securities of Developer shall be publicly traded without the prior written consent of Licensor and HBH, which consent may be arbitrarily withheld in Licensor's and HBH's discretion. If Licensor and HBH approve a public offering of Developer's securities, Developer shall present the disclosure document or prospectus to Licensor and HBH for review within a reasonable time before the effective date of the public offering. In no event shall Developer offer, sell or otherwise distribute its securities by use of the name "Honey Baked Ham" or any name similar thereto; however, Developer may make appropriate reference to the fact that Developer has entered into an Area Development Agreement and one or more Franchise Agreement(s) with HBH.

**9.7 Right of First Refusal of HBH.** If Developer proposes to sell the development rights granted hereunder and Developer or Developer's owners obtain and desire to accept a bona fide, executed written offer to purchase the development rights, Developer or Developer's owners are obligated to deliver a copy of the bona fide offer to HBH and shall make an identical offer to HBH. HBH will, for a period of sixty (60) days from the date of delivery of such offer to HBH, have the right, exercisable by written notice to Developer or Developer's owners, to purchase the development rights granted hereunder for the price and on the terms and conditions contained in the offer. HBH may substitute equivalent cash for any form of payment proposed in such offer or designate a substitute purchaser for the development rights or the ownership interest being offered, provided that HBH will assume responsibility for the performance of any other purchaser HBH may designate. If HBH does not exercise this right of first refusal, the offer may be accepted by Developer subject to HBH's prior written approval of the transferee as provided in this Agreement. If the sale pursuant to the offer is not consummated within ninety (90) days, HBH will again have the right of first refusal to purchase the development rights granted hereunder as described above. This Section 9.7 shall not apply to transfers made in accordance with Section 9.3 of this Agreement.

## **10. CONTRACT INTERPRETATION AND ENFORCEMENT**

**10.1 Survival of Representations.** All statements herein or in any certificate, agreement, instrument or other document delivered by or on behalf of any party pursuant hereto or in connection with the transactions contemplated hereby constitute representations, warranties, stipulations, covenants and agreements made by such party and shall survive the execution of this Agreement and the consummation of the transactions contemplated hereby.

**10.2 Waiver.** Failure of either party to insist, in one or more instances, on performance by the other of any duty or obligation hereunder in strict accordance with this Agreement shall not be deemed a waiver or relinquishment of any right granted hereunder or of the future performance of such duty or

obligation, or any other, in strict accordance with this Agreement, unless such waiver or relinquishment is in a writing signed by or on behalf of both parties.

**10.3 Construction and Severability.** All references in this Agreement to the singular shall include the plural where applicable, and all references to the masculine shall include the feminine and vice-versa. If any part of this Agreement for any reason shall be declared invalid, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. If any applicable law or rule requires a greater prior notice of termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by such law shall be substituted for the requirements of this Agreement.

**10.4 Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous, oral or written, agreements or understandings of the parties regarding the subject matter of this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party to enforce any claim or right under this Agreement, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. No amendment, change or variance from this Agreement shall be binding upon either party except by mutual written agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representations HBH made in the Franchise Disclosure Document that HBH provided to Developer.

**10.5 Costs of Modification and Enforcement.** Developer shall reimburse HBH for all costs and expenses (including without limitation attorney's fees) HBH incurs in connection with any modification or supplementation of this Agreement or any waiver or consent granted by HBH hereunder, except where a modification or supplement results from an initiative by HBH. If either party institutes any legal or equitable action against the other party to secure or protect its rights under or to enforce the terms of this Agreement, in addition to any judgment entered in the prevailing party's favor, the prevailing party shall be entitled to recover such reasonable attorneys' fees and costs as the prevailing party may have incurred together with its costs and expenses of litigation.

**10.6 Notices.** Any notice or other communication required or permitted hereunder shall be deemed sufficiently given if delivered, mailed (registered or certified mail, postage prepaid) or sent by overnight courier to the address specified on Exhibit A. Any party may change its mailing address by giving notice to the other party in the manner herein provided.

**10.7 Governing Law.** This Agreement shall be deemed to have been made and entered into in the State of Georgia and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Georgia. If any provision of this Agreement would not be enforceable under the laws of the State of Georgia, and if the Development Area is located outside of Georgia and such provision would be enforceable under the laws of the state in which the Development Area is located, then such provision shall be interpreted and construed under the laws of that state.

**10.8 Choice of Forum.** Developer may bring an action only in the state court or federal court having jurisdiction where HBH's principal place of business is located at the time the action is brought. HBH may bring an action in the federal or state court having jurisdiction where HBH's principal place of business is located at the time suit is filed, in the jurisdiction where Developer resides or does business, where the Development Area is or was located, or where the claim arose. Developer submits and irrevocably consents to the exclusive jurisdiction of such courts and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to such jurisdiction or venue.

**10.9 Injunctive Relief.** Developer recognizes that failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, will cause irreparable harm to HBH, its affiliates and the HoneyBaked System which money damages cannot adequately remedy. Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, HBH shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by HBH shall be in addition to, and not in lieu of, all remedies and rights that HBH otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

**10.10 Limitation of Actions.** Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Developer) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

**10.11 Waiver of Punitive Damages, Class Action Lawsuits and Jury Trial.** **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.**

**10.12 Conflicts.** To the extent any provisions of this Agreement directly conflict with any provisions of any Franchise Agreement, the conflicting terms and provisions of this Agreement shall govern and control.

**10.13 Cumulative Remedies.** No remedy conferred upon HBH is intended to be exclusive of any other remedy, and each and every such remedy shall be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

**10.14 Independent Contractor Relationship.** The parties hereto agree that nothing contained herein or in any instrument or other document delivered pursuant hereto or in connection herewith, nor any course of conduct between HBH and Developer, shall create a fiduciary relationship between them or operate to make any party hereto the partner, joint venturer, agent or employee of the other. It is intended that Developer is and shall continue to be an independent contractor responsible for all of Developer's obligations and liabilities with respect to the development of the Stores. Developer shall have no authority, express, implied or apparent, to act on behalf of or to bind HBH, and Developer shall take no action to create any such authority or the appearance of an employer-employee relationship between the parties. In indicating its affiliation with HBH, Developer shall at all times clearly represent that Developer's business is independently owned and operated, consistent with applicable law, including without limitation by exhibiting a notice of such fact in a conspicuous place in Developer's business premises, and, as directed by HBH, in Developer's advertising and on Developer's contracts, forms, stationery and promotional materials.

**10.15 Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together

shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

**10.16 Headings.** The headings in this Agreement are for convenience of reference and are not a part of this Agreement and shall not affect the meaning or construction of any of its provisions.

**10.17 Inconsistent Terms; Additional Terms.** To the extent that the provisions of this Agreement are in direct conflict with the provisions of any Exhibit hereto, the provisions of such Exhibit shall control.

**10.18 Successors and Assigns; Licensor's Rights.** Except as otherwise provided herein, this Agreement is binding upon the parties and their heirs, approved assigns and successors in interest. The parties hereto agree that certain of the covenants and agreements set forth herein represent a benefit and value to Licensor, and agree that Licensor is a third-party beneficiary to this Agreement with respect to the rights of HBH and the obligations of Developer. In particular, and not in limitation of the foregoing, Licensor shall have the right to enforce the obligations, duties and covenants of the Developer set forth herein if HBH fails or refuses to do so. Upon expiration of the License Agreement (as now or hereafter amended), between Licensor and HBH under which HBH has been granted the right to sell a franchise to Developer, all of HBH's right, title and interest in this Agreement shall immediately attorn to and shall be automatically assigned, transferred and conveyed to Licensor. Developer acknowledges that the Marks and the HoneyBaked System are owned solely by Licensor.

**10.19 Time of Performance.** Time is of the essence with respect to the performance of this Agreement.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed this agreement, which is made effective as of the Effective Date noted below.

**DEVELOPER:**

a \_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

**HBH:**

**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

**EXHIBIT A**  
**TO AREA DEVELOPMENT AGREEMENT**  
**DEVELOPMENT INFORMATION**

**Developer:**

**Development Area:**

**Development Schedule:**

The Store(s) to be Developed	Site Acceptance Deadline	Opening Deadline for the Store
1		
2		
3		
4		
5		

**Development Fee:** \$ \_\_\_\_\_

[Drafting Note to be deleted: the sum of \$20,000 for the first Store (\$10,000 if Franchisee already operates a Store), \$10,000 multiplied by the number of subsequent Stores, and \$5,000 multiplied by the number of Seasonal Stores which Developer has agreed to develop.]

**Form of Ownership:** Developer is a \_\_\_\_\_ incorporated or formed on \_\_\_\_\_ in the state of \_\_\_\_\_.

**Owners.** The following table includes the full name of each person who is an owner of a legal or beneficial interest in Developer, and fully describes the nature of each owner’s interest (attach additional pages if necessary).

Name	Home Address	Percentage of Ownership Interest

**[If Developer consists of individuals, delete the Owners paragraph and table above and use the table below and delete this bracket. If Developer is an entity use the above table and delete the table below and delete this bracket.]**

**Developer Names and Home Addresses:**

Name	Home Address


**Developer's Notice Address:**

\_\_\_\_\_

\_\_\_\_\_

**HBH's Notice Address:**

General Counsel

3875 Mansell Rd, Alpharetta, GA 30022-1532

## **EXHIBIT B**

### **TO AREA DEVELOPMENT AGREEMENT**

#### **COVENANT AND GUARANTY OF OWNERS**

The undersigned individuals represent and warrant that they are shareholders, partners or members of Developer or otherwise have a direct or indirect beneficial interest in the success of Developer. Accordingly, to induce The HBH Franchise Company, LLC ("HBH") to enter into the Area Development Agreement dated \_\_\_\_\_ (the "Agreement"), each of the undersigned individuals hereby jointly and severally guaranty the payment and performance by Developer of its obligations under the Agreement, and hereby agrees that upon the non-payment or non-performance by Developer of any of the terms or conditions of such obligations, they will promptly perform and/or pay such obligations.

Each of the undersigned individuals further hereby jointly and severally agree to be bound by all of the provisions of the Agreement including, without limitation, the restrictions and covenants contained in Sections 7, 8 and 9 of the Agreement. These obligations shall survive any expiration or termination of the Agreement or this Guaranty.

HBH, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period), (d) alter, amend or exchange any of the liabilities, or (e) give any other form of indulgence, whether under the Agreement or not. None of the foregoing shall release any of the undersigned from their obligations hereunder.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Developer and HBH resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all costs and expenses paid or incurred by HBH in attempting to enforce the Agreement and this Guaranty against Developer and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by HBH, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, primary and irrevocable.

This Guaranty does not terminate upon the death of any of the undersigned, but is binding upon the undersigned's heirs, executors and legal representatives.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between HBH and the undersigned, must be commenced in the state or federal court of general jurisdiction in the district where HBH's principal place of business is located at the time the action is brought and each of the undersigned

irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts.

Nonetheless, each of the undersigned agrees that HBH may enforce this Guaranty and any orders and awards in the courts of the state or states in which a Guarantor is domiciled.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement. This Guaranty shall be interpreted and construed under the laws of the State of Georgia. In the event of any conflict of law, the laws of the State of Georgia shall prevail (without regard to, and without giving effect to, the application of Georgia conflict of law rules).

If more than one person has executed the Guaranty, the term “the undersigned,” as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint, several and primary.

WITNESS the signature of the undersigned as of the date indicated herein.

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

**EXHIBIT C**

**TO AREA DEVELOPMENT AGREEMENT**

**FORM OF ADDENDUM TO LEASE**

**THIS ADDENDUM** is executed as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Landlord”), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, (“Lease”) for the premises located at \_\_\_\_\_, State of \_\_\_\_\_ (“Premises”) dated as of \_\_\_\_\_, \_\_\_\_.

Franchisee has entered into a Franchise Agreement (“Franchise Agreement”) with The HBH Franchise Company, LLC (“Franchisor”) for the development and operation of a HoneyBaked store at the Premises (“Store”), and as a requirement thereof, the Lease for the Premises must contain the provisions contained in this Addendum.

Landlord and Franchisee agree that the terms contained in this Addendum shall supersede any terms to the contrary set forth in the Lease.

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

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, for a period of at least thirty (30) days to cure any default of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title and interests thereunder.
2. Franchisee hereby assigns to Franchisor, with Landlord’s irrevocable and unconditional consent, all of Franchisee’s rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; (b) Franchisor at its option has exercised its Option to Purchase under the Franchise Agreement; and (c) Franchisor notifies Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the Lease.
3. The Lease may not be modified, amended, supplemented, renewed, extended, subleased, or assigned by Franchisee without Franchisor’s prior written consent.
4. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor at its option assumes the Lease in writing pursuant to Section 1 or Section 2, above.
5. If Franchisor assumes the Lease, as provided above, Franchisor may, without Landlord’s prior consent, further assign the Lease to a franchisee of Franchisor to operate a HoneyBaked store at the Premises provided that the following criteria are met: (a) Franchisor has an established franchising program for HoneyBaked stores; and (b) the proposed franchisee has met all of Franchisor’s applicable program criteria and requirements and has executed Franchisor’s standard

franchise agreement. Landlord agrees to execute such further documentation to confirm its consent to the assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease.

6. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as a HoneyBaked store. Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.
7. Landlord and Franchisee agree that if Landlord is an affiliate or an owner of Franchisee and Landlord proposes to sell the Premises, prior to the sale of the Premises, the Lease upon the request of Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Store is located.
8. Landlord agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "Confidential Information" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, menus, recipes, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of this Addendum, Franchisor will suffer irreparable damages and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
9. Landlord agrees that: (a) Franchisor has solely granted to Franchisee the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs and indicia of origin (collectively the "Marks") at the Premises under the terms of the Franchise Agreement; and (b) Franchisor has not granted any rights or privileges to Landlord to use the Marks at the Premises or anywhere else; and (c) Landlord's unauthorized use of the Marks during or after the term of the Lease shall cause irreparable harm to Franchisor and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
10. Landlord consents to Franchisee's use at the Premises of the Marks and such initial signage as Franchisor prescribes, subject to compliance with applicable laws and regulations.

11. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.
12. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at 3875 Mansell Rd, Alpharetta, GA 30022-1532 (Attn: General Counsel), or such other address as Franchisor shall specify by written notice to Landlord.
13. Under the Franchise Agreement, any lease for the location of a HoneyBaked store is subject to Franchisor's approval with regards to the terms and conditions that affect Franchisor, and Franchisor expressly disclaims any other connotations either expressed or implied as to the other terms and conditions set forth in the Lease that are negotiated between Landlord and Franchisee. Accordingly, the Lease is contingent upon such approval, and Franchisor shall provide written notice to Landlord and Franchisee to evidence such approval, as applicable.

WITNESS the execution hereof under seal.

LANDLORD:

FRANCHISEE:

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

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

Subscribed and sworn to before me this \_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_.

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**EXHIBIT D**  
**FRANCHISE AGREEMENT**

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**THE HBH FRANCHISE COMPANY, LLC**  
**FRANCHISE AGREEMENT**

**THE HBH FRANCHISE COMPANY, LLC FRANCHISE AGREEMENT**

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**Exhibits:**

- Exhibit A: Franchise Information
- Exhibit B: Covenant and Guaranty of Owners
- Exhibit C: Form of Addendum to Lease

# THE HBH FRANCHISE COMPANY, LLC

## FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made and entered into as of the date set forth on Exhibit A attached hereto (“Effective Date”) (Exhibit A and all other exhibits hereto are hereby incorporated herein by this reference) in Alpharetta, Fulton County, Georgia between **The HBH Franchise Company, LLC**, a Georgia limited liability company located at 3875 Mansell Rd., Alpharetta, Georgia 30022-1532 (“HBH”), and the person or entity identified on Exhibit A (“Franchisee”).

### 1. RECITALS

HBH franchises stores specialize in the sale of hams (“Specialty Hams”) and turkeys (“Turkeys”) and other items approved by HBH and include an on-site store that serves sandwiches, salads, beverages and other items approved by HBH. These stores, known as “HoneyBaked” stores, conduct business under a business format utilizing certain common standards, specifications, methods, procedures, recipes, techniques, management systems and proprietary and trade secret information for the preparation and sale of Specialty Hams, Turkeys, and related food and beverage products and other items (the “HoneyBaked System”).

This trade secret and proprietary process for Specialty Hams and Turkeys is owned by The Honey Baked Ham Company, LLC, a Delaware limited liability company (“Licensor”). The trade secret and proprietary process for producing the Specialty Hams includes, but is not limited to, a selection process, tracking system, pickle formula, smoke schedule and a meat processing company selected by Licensor that processes and sells hams to HBH which are then finished and prepared by HBH for retail sale in accordance with Licensor’s specific procedures and specifications. Licensor also owns, uses, promotes and licenses certain valuable trademarks, service marks, logos, designs and commercial symbols in connection with the operation of “HoneyBaked” stores across the United States (“HBH Stores”), including the marks “The Honey Baked Ham Co.,” “HoneyBaked,” “Honey Baked Ham,” and such other marks that Licensor has designated, or may in the future designate, for use with the HoneyBaked System. The marks used to identify the HoneyBaked System, including the principal marks, (the “Marks”) may be modified by Licensor from time to time in its sole discretion.

Licensor has granted to HBH and its affiliated companies certain exclusive rights and licenses to market and sell Specialty Hams, Turkeys and related food and beverage products and other items under the Marks in various geographic areas of the United States, including the state where Franchisee’s Store (as defined in Section 2.1) is located. Licensor has further authorized and approved HBH’s licensing of Franchisee’s right to market and sell the Specialty Hams, Turkeys and related food and beverage products and other items under the Marks in the HoneyBaked System at Franchisee’s Store in accordance with the terms and provisions of this Agreement.

Franchisee understands and agrees that the terms, conditions and covenants contained in this Agreement are necessary to maintain HBH’s high standards of quality and service and to protect and preserve the goodwill of the Marks.

### 2. GRANT AND TERM OF FRANCHISE

**2.1 Grant.** Subject to the terms of this Agreement, HBH grants to Franchisee a non-exclusive franchise to operate a specialty food store which has as its principal business the retail sale of Specialty Hams and Turkeys under the HoneyBaked System and which includes an on-site store that serves sandwiches, salads, beverages and other items approved by HBH (the “Store”) and a license to use the Marks in the operation of the Store at a location agreed upon between HBH and Franchisee and specified

on Exhibit A (the “Designated Location”) within the Protected Territory (as described in Exhibit A). Before or concurrently with signing this Agreement, Franchisee or its affiliate has also signed an Area Development Agreement with HBH under which HBH granted Franchisee or its affiliate the right to develop the Store, and if applicable, additional HBH Stores within a defined geographic area (the “Area Development Agreement”). If Franchisee has not selected, or HBH has not accepted, the location of the Store as of the Effective Date, then the Area Development Agreement will govern the site selection, evaluation and acceptance process for the Store.

**2.2 Term.** This Agreement shall take effect on the Effective Date. Unless sooner terminated as hereinafter provided, this Agreement shall expire at midnight Eastern Time on the date which is ten (10) years after the Effective Date (the “Initial Term”).

### **3. RENEWAL OF FRANCHISE**

**3.1 Renewal Options.** When this Agreement expires at the end of the Initial Term, Franchisee shall have an option to sign HBH’s then-current form of Franchise Agreement (“Renewal Franchise Agreement”) for a five (5) year renewal term (“First Renewal Term”) if Franchisee meets the renewal qualifications and conditions set forth in Section 3.2 below. When the First Renewal Term expires, Franchisee shall have an option to renew the franchise for an additional five (5) year renewal term (“Second Renewal Term”) if Franchisee meets the renewal qualifications and conditions that will be set forth in the Renewal Franchise Agreement for the First Renewal Term.

**3.2 Conditions of Renewal.** If Franchisee desires to renew the franchise for the First Renewal Term, Franchisee must comply with all of the following conditions prior to and at the end of the Initial Term:

(a) Franchisee gives HBH written notice of its election to renew not less than six (6) months, and not more than twelve (12) months, prior to the expiration of the Initial Term;

(b) Franchisee is not, when notice is given, and does not become prior to the expiration of the Initial Term, in default of any provision of this Agreement or any other agreement between Franchisee and HBH (including any affiliates of HBH) or with any creditor or supplier of the Store, and Franchisee has substantially complied with the terms and conditions of all such agreements during their terms;

(c) Franchisee executes the Renewal Franchise Agreement, which may contain certain terms and conditions substantially different from those set forth herein, including, without limitation, a higher royalty fee, higher advertising expenditure requirements (and new methods of computing same), a subsequent option to renew, if any, and a smaller territory, if any;

(d) Franchisee executes a general release, in a form satisfactory to HBH, of any and all claims it may have against HBH and Licensor (including any affiliated companies) and their officers, directors, shareholders, managers, members and employees, in their corporate and individual capacities;

(e) Franchisee provides HBH with evidence that Franchisee has the right to remain in possession of the Store premises or to secure and develop a suitable alternative site acceptable to HBH for the First Renewal Term;

(f) Franchisee performs, at its own expense, such remodeling, repairs, replacements and redecoration as HBH may reasonably require to cause the Store, equipment, fixtures, furnishings and furniture to conform to the plans and specifications being used for new or remodeled HBH Stores on the renewal date; and

(g) Franchisee pays to HBH simultaneously with the signing of the Renewal Franchise Agreement a renewal fee of ~~seventen~~ thousand ~~five hundred~~ dollars (\$~~7,500~~10,000).

(h) If Franchisee should fail or refuse to fulfill the conditions of this Section 3.2, such failure or refusal shall constitute an election by Franchisee not to renew the franchise.

#### 4. TERRITORY

**4.1 Territorial Protection.** Franchisee's Protected Territory is specified on Exhibit A attached hereto. Subject to Section 4.2 and provided that Franchisee is in compliance with the terms of this Agreement, HBH will not operate or grant a franchise for the operation of an HBH Store during the term of this Agreement within the Protected Territory. Franchisee acknowledges that the franchise granted under this Agreement is non-exclusive and that, except as expressly provided in this Section 4.1, Franchisee has no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of other or future HBH Stores under the Marks, or on any sales or distribution of products under the Marks or other business activities of HBH, Licensor or any other party licensed to use the Mark ("HBH Parties").

**4.2 Reservation of Rights.** HBH expressly reserves the rights for itself and on behalf of HBH Parties to: (a) operate, or grant any person or entity a franchise or license to operate, an HBH Store or a retail outlet substantially similar to the Store anywhere except within the Protected Territory; (b) establish anywhere (within or outside the Protected Territory) franchises, licenses and company owned outlets selling products and providing services which are the same or similar to those sold or provided at the Store or HBH Stores under any names, trademarks, service marks, logos or symbols other than the Marks; (c) sell anywhere (within or outside the Protected Territory) the same or similar products authorized for the Store or an HBH Store, whether under the Marks or under other trademarks or trade dress and through any channels of distribution other than a retail outlet substantially similar to the Store within the Protected Territory, whether such channel of distribution is now in existence or is hereafter developed and whether at retail or wholesale including, without limitation, sales through catalogs, e-commerce, mail order, carts or kiosks, mass merchandise, supermarkets, grocers, restaurants, institutional customers, club stores and any other outlet or method of distribution, pursuant to any terms and conditions as HBH or the HBH Parties may deem appropriate; (d) issue competing franchises or operate competing businesses for or at locations near the Store (within or outside the Protected Territory); (e) engage in other activities not expressly prohibited in this Agreement; and (f) offer and sell products and provide services under the Marks to (1) customers that are located within the Protected Territory that are customers of HBH or its affiliates as of the Effective Date, (2) new customers developed by HBH's or its affiliates' sales department within the Protected Territory after the Effective Date and (3) Shipping Customers as defined in Section 10.15. Franchisee acknowledges and agrees that HBH has no duty or obligation to ensure that Franchisee does not lose revenue or profits as a result of the impact of these activities. Any of the foregoing actions described in (a) through (f) above shall not constitute a breach or default under this Agreement or of any other obligation, express or implied, which HBH may owe to Franchisee in law or in equity. Franchisee has no right to use the Marks in connection with any business other than that licensed hereunder, and HBH and Licensor retain all rights not granted by this Agreement.

**4.3 Restrictions on Advertising.** Unless HBH agrees otherwise, Franchisee may only advertise its products in the Protected Territory. Franchisee shall not conduct any advertising or solicitation in any area outside of its Protected Territory without HBH's prior written consent, which may be arbitrarily withheld. Franchisee agrees and acknowledges that (a) HBH and its affiliates and other HBH parties may advertise or market within the Protected Territory for sales to locations within and outside of the Protected Territory, (b) HBH may advertise or market to Shipping Customers who reside within and outside the

Protected Territory; and (c) others may advertise or market within the Protected Territory for sales to locations that are outside of the Protected Territory.

**4.4 Shipping and Catering.** Franchisee shall not ship any products to any location within or outside the Protected Territory. Any orders for the shipment of products shall be referred to HBH in accordance with Section 10.15. If Franchisee desires to cater or deliver its catering products to a specific customer, or within a specific geographic territory, located outside the Protected Territory, Franchisee may submit to HBH in advance a written request for a waiver of the prohibition on extra-territorial sales, indicating the specific customer or territory for which the waiver is requested. HBH will consider such request only if the subject customer or territory is not located within a territory granted to another HBH Store. HBH may allow or disallow such request, in its sole and absolute discretion, and the request shall not be deemed approved until HBH delivers specific written approval to Franchisee. Any such approval, once granted, may be withdrawn by HBH at any time by written notice to Franchisee, without payment of compensation to Franchisee, and such approval shall specifically be withdrawn if HBH subsequently enters into an agreement with another franchisee providing franchise rights to that territory. HBH may require Franchisee to participate in HBH's online catering program. HBH reserves the right to require Franchisee to pay a monthly fee to HBH or a third party vendor that HBH designates to administer the program.

## **5. SITE ACQUISITION OR LEASE; CONSTRUCTION**

**5.1 Acceptance of Store Location.** Franchisee shall utilize facilities reasonably suited for the conduct of the Store. Franchisee shall not lease or agree to purchase any premises for the operation of the Store until HBH has accepted the site in writing, which acceptance may be arbitrarily withheld. Franchisee hereby acknowledges and agrees that HBH's acceptance of a proposed site shall not constitute a warranty or guarantee of any kind as to the potential success of the Store at that site.

**5.2 Lease or Purchase of Store.** The Store and the site on which it is located may be leased or owned by Franchisee. Any lease, and any mortgage or other encumbrance with respect to Franchisee's leasehold interest or title, shall, unless HBH otherwise consents in writing:

(a) Include provisions such as those set forth in HBH's form of Addendum to Lease (the current form of which is attached as Exhibit C), as modified from time to time;

(b) Cover only the Store and the site on which the Store is located;

(c) Provide that HBH will receive written notice from the landlord or mortgagee and Franchisee of any default by Franchisee and that HBH will have a right (but not the obligation) for a period of at least thirty (30) days to cure such default and to succeed to Franchisee's rights under the lease, mortgage or other encumbrance;

(d) Provide that HBH or its designee shall have the right to assume (and, if a lease, to assign to a third party who assumes HBH's obligations under the lease) such lease, mortgage or other encumbrance upon Franchisee's default or termination thereunder or upon termination or expiration of this Agreement or any renewal of this Agreement or upon exercise of HBH's option provided in Section 17;

(e) In the case of a lease, provide for a term or lessee options to renew for a period at least equal to the Initial Term hereof;

(f) In the case of a lease, provide that Franchisee and any successor or assignee of Franchisee shall have the right to sublease or assign for all or any part of the term, but that Franchisee is

prohibited from subleasing or assigning all or any part of its occupancy rights without HBH's prior written consent;

(g) In the case of a lease, provide that the landlord consents to Franchisee's use of the Marks and such initial signage as HBH may prescribe from time to time for the HBH Store, subject to compliance with applicable laws and regulations;

(h) In the case of a lease, provide that Franchisee and any successor or assignee of Franchisee and landlord shall not have the right to amend the lease without the prior consent of HBH;

(i) Provide that HBH shall have the right, upon reasonable advance notice, to enter the premises and remove signage from the Store;

(j) Provide that Franchisee shall have available for its use adequate parking for a refrigerated truck in close proximity to the Store; and

(k) Any lease, mortgage or other encumbrance to be entered into pursuant to this Agreement must be submitted to HBH for its review at least fifteen (15) days prior to execution. Franchisee shall furnish HBH with a copy of any executed lease, mortgage or other encumbrance within ten (10) days after execution. Franchisee shall notify HBH of any new lease, mortgage or other encumbrance on the property or any amendments to or extensions of new or existing leases, mortgages or other encumbrances and shall provide copies of all such documents to HBH upon request.

**5.3 Initial Development and Construction.** Franchisee must construct the Store with the assistance of contractors, architects and suppliers designated or approved by HBH in its sole discretion. Franchisee agrees that promptly after obtaining possession of the site for the Store it will:

(a) cause to be prepared and submit for acceptance by HBH a site plan and any modifications to HBH's prototypical architectural plans and specifications for the Store, including requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, décor, fixtures, furnishings, equipment, color scheme and signs. Franchisee understands that it may modify HBH's prototypical architectural plans and specifications only to the extent required to comply with applicable ordinances, building codes and permit requirements and only after receipt of HBH's prior written acceptance;

(b) obtain all required zoning changes and all required building, driving, utility, health, sanitation and sign permits and any other required permits;

(c) purchase or lease equipment, fixtures, furniture, graphics, non-promotional collateral materials including but not limited to menus, serving guides and nutritional facts, menu boards and signs meeting HBH's specifications and requirements;

(d) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Store in full and strict compliance with plans and specifications approved by HBH and all applicable ordinances, building codes and permit requirements;

(e) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; and

(f) comply with all requirements of federal, state and local laws, ordinances and regulations.

**5.4 Equipment, Fixtures, Furniture and Signs.** HBH will provide Franchisee with specifications for those brands or types of construction and decorating materials, fixtures, equipment, furniture and signs that HBH has approved for HBH Stores. Franchisee shall use in the construction and operation of the Store only those brands or types of construction and decorating materials, fixtures, equipment, furniture and signs that HBH has approved for HBH Stores. Franchisee may purchase approved brands and types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by HBH (which may include HBH and its affiliates). If Franchisee proposes to purchase any brand or type of construction or decorating material, fixtures, equipment, furniture or sign not then-approved or designated by HBH, or proposes to purchase any such items from a supplier which is not then-approved by HBH, Franchisee shall first notify HBH in writing. HBH may require submission of specifications, photographs, drawings and other information to determine whether such brand or type of construction or decorating material, fixture, equipment, furniture or sign complies with HBH's specifications and standards, or whether a supplier meets HBH's approved supplier criteria, which determinations shall be made at HBH's sole discretion. HBH will advise Franchisee within a reasonable time whether a proposed item or supplier meets HBH's specifications. HBH reserves the right to charge Franchisee for its reasonable costs and expenses in testing and evaluating any proposed item or supplier submitted by Franchisee.

**5.5 Store Opening.** Franchisee agrees to complete development of the Store and have the Store ready to open within a reasonable time after obtaining possession of the site for the Store. If Franchisee does not open the Store by the opening deadline for the Store as set forth in the development schedule in the Development Agreement, HBH will have the option to terminate this Agreement upon the delivery of written notice to Franchisee, in which event HBH shall retain the Franchise Fee (as defined in Section 7.1). Franchisee agrees and acknowledges that HBH, on behalf of itself and its affiliates, may itself operate, or grant other persons the right to operate, an HBH Store at any approved location within the Protected Territory if Franchisee fails to open the Store and commence operations within the time period specified in this Section 5.5.

## **6. STORE REFURBISHING**

Franchisee agrees to refurbish the Store (in addition to regular maintenance and repair) at Franchisee's expense, within six (6) months of receipt of written notice from HBH, as HBH may from time to time require to maintain or improve the appearance and efficient operation of the Store, to increase its sales potential, to comply with the HoneyBaked System or other standards, or to meet such other requirements as requested by HBH in its discretion. Refurbishing may include but is not limited to:

- (a) replacement of worn out or obsolete equipment, fixtures, furniture and signs;
- (b) substitution or addition of new or improved equipment, including technology systems, computer hardware and software (excluding the point-of-sale system), fixtures, furniture and signs;
- (c) redecorating and repainting;
- (d) repair of the interior and exterior of the premises and repair and resurfacing of parking facilities; and
- (e) structural modifications and remodeling of the premises.

## 7. FEES

**7.1 Initial Franchise Fee.** Concurrently with or prior to Franchisee's execution and delivery of this Agreement, Franchisee has paid to HBH an initial franchise fee ~~of fifteen thousand dollars (\$15,000)~~ in the amount set forth in the attached Exhibit A (the "Franchise Fee").

**7.2 Royalty Fees.** During the term of the franchise, Franchisee agrees to pay to HBH a monthly royalty fee in the amount of six percent (6%) of the "net sales" of the Store. The royalty fee shall be payable from the date the Store is opened. Payment of the royalty fee shall be made on or before the 20th day of each calendar month by an electronic funds transfer based on the net sales of the Store during the preceding calendar month.

**7.3 Definition of Net Sales.** As used in this Agreement, the term "net sales" shall mean the amount of sales of all products and services sold in, on, about or from the Store, together with any other revenues derived from operation of the Store, whether by Franchisee or by any other person, whether or not in accordance with the terms hereof, and whether for cash or on a charge, credit or time basis, including, but not limited to, all such sales and services (a) where orders originate and/or are accepted by Franchisee in the Store but delivery or performance thereof is made from or at any place other than the Store or (b) pursuant to telephone or other similar orders received or filled at or in the Store. For purposes of determining the royalty fee amount under this Section 7 and the advertising contribution amounts under Section 13, there shall be deducted from net sales: (1) the amount of refunds, allowances or discounts to customers (including coupon sales), provided the related sales have previously been included in net sales and (2) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

**7.4 Payment Due Date; Interest on Late Payments.** Except as otherwise specifically provided in this Agreement, the due date for all payments owed to HBH or its affiliates by Franchisee is net fourteen (14) days after the date of invoice. With respect to inventory purchased from HBH or its affiliates as provided in Section 10.9, HBH may modify these payment terms by giving Franchisee written notice at least thirty (30) days in advance. All fees and payments and all other amounts owed to HBH or its affiliates by Franchisee pursuant to this Agreement which have not been paid within thirty (30) days after the due date (as specifically provided in this Agreement or by HBH pursuant to written notice as described in this Section 7.4) shall bear interest on the unpaid amount from the due date until paid at a rate equal to one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less and Franchisee also shall pay a late fee in the amount of one hundred dollars (\$100). No further credit will be extended on accounts more than thirty (30) days past due, and all subsequent purchases by Franchisee will be payable only by electronic funds transfer or by certified or cashier's check. For the avoidance of doubt, HBH and its affiliates reserve the right not to extend credit at any time in their sole discretion.

**7.5 Application of Payments.** All payments made by Franchisee pursuant to this Agreement shall be applied in such manner as HBH may designate from time to time, including to indebtedness of Franchisee to HBH or its affiliates for royalties, advertising contributions, product purchases, interest, or any other reason, regardless of how Franchisee may designate a certain payment to be applied.

**7.6 Payments by Electronic Funds Transfers.** HBH requires that royalties, Advertising Fund contributions and all other amounts owing to HBH or any of its affiliates be made by electronic funds transfers. Franchisee shall open and thereafter maintain a bank account into which it shall deposit on a timely basis funds sufficient to permit payments of any and all such amounts not later than the time they become due and payable. Franchisee hereby specifically authorizes HBH to make withdrawals from such

account of any such amounts. If the electronic funds transfer is rejected, HBH shall have the right to demand payment in the form of a cashier's check, credit card or automated clearing house.

**7.7 Non-Compliance Fee.** If Franchisee commits an event of default of this Agreement (including any failure to comply with any reporting requirement or any other requirement set forth in HBH's Franchise Operations Manual "FOM"), then HBH may assess a fee up to one thousand dollars (\$1,000) (the "Non-Compliance Fee") for the default and for each week or portion thereof that the default continues following HBH's assessment of the Non-Compliance Fee. HBH may assess the Non-Compliance Fee regardless of whether HBH sends Franchisee a formal notice of default or termination, provided that HBH shall notify Franchisee in writing of the default, its decision to charge the Non-Compliance Fee, and the amount of the Non-Compliance Fee. Assessment and/or payment of a Non-Compliance Fee does not constitute a waiver of any other rights or remedies HBH may have in connection with the event of default or otherwise under this Agreement.

## **8. SERVICES BY HBH**

HBH agrees to use reasonable efforts to maintain the excellent reputation of all HBH Stores and, in connection therewith, to make available to Franchisee upon reasonable written request by Franchisee, the following:

(a) Such standard construction plans, specifications and layouts for the structures, equipment, furnishings, decor and signs identified with the HoneyBaked System as HBH makes available to all new franchisees from time to time;

(b) If applicable, review Franchisee's proposed site location and its site plans and final construction plans and specifications and layouts for conformity to the construction standards and specifications of the HoneyBaked System. Such plans and specifications will not include engineering or construction-level details, unless HBH decides otherwise;

(c) Initial training in the HoneyBaked System as described in Section 12;

(d) If applicable, such opening assistance from HBH personnel, including planning and developing of pre-opening and promotional programs, as HBH determines necessary or appropriate;

(e) The use of HBH's FOM and confidential standard business policies and training aids as revised from time to time;

(f) Such merchandising, marketing and other data and advice as may from time to time be developed by HBH and deemed by it to be helpful in the operation of the Store;

(g) Such periodic continuing individual or group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins made available from time to time to all franchisees of HBH, as HBH may deem necessary or appropriate;

(h) Such bulletins, brochures and reports as may from time to time be published by HBH regarding its plans, policies, research, developments and activities; and

(i) Such other resources and assistance as may hereafter be developed and offered by HBH to its franchisees.

## 9. LIMITATIONS OF FRANCHISE AND LICENSE

**9.1 Ownership of Marks.** Franchisee acknowledges that Licensor is the exclusive owner of the Marks licensed hereunder, the registrations of the Marks (if any), and the identification schemes, specifications, operating procedures and other concepts embodied in the HoneyBaked System licensed to HBH. Franchisee will use the HoneyBaked System and the Marks strictly in accordance with the terms of this Agreement and rules prescribed from time to time by HBH. Upon termination or expiration of this Agreement, any and all goodwill associated with the HoneyBaked System and identified by the Marks shall inure directly and exclusively to the benefit of Licensor, and no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Marks. Franchisee agrees not to take any action, during the term of this Agreement or thereafter, which might prejudice, impair or adversely affect the validity of the Marks or the HoneyBaked System or Licensor's ownership thereof, or the goodwill and favorable reputation associated therewith, Franchisee shall not directly or indirectly contest the validity or the ownership of the Marks, and Franchisee shall not register or attempt to register the Marks in Franchisee's name or in the name of any other firm, person or entity.

**9.2 Usage.** In order to protect the Marks, the HoneyBaked System, and the goodwill associated therewith, Franchisee shall, unless HBH otherwise consents in writing:

(a) Operate under the Marks only in a manner consistent with the scope of the registration of the Marks, advertise only under such of the Marks as are designated by HBH for use for that purpose and use the Marks without prefix or suffix;

(b) Not use as all or any part of its corporate or other name the name "Honey Baked Ham", "HoneyBaked" or any of the other Marks, or any derivation thereof;

(c) Feature and use the Marks in strict accordance with any requirements that may be provided in the FOM, and any updates or modifications thereof, as HBH may from time to time direct in writing;

(d) Upon receipt of written notice from HBH: (1) discontinue, suspend or otherwise cease the use of, (2) modify, alter, vary or otherwise change, or (3) substitute, exchange or otherwise replace, partially or entirely, any of the Marks as HBH may direct; and

(e) Upon expiration or termination of the Franchise Agreement, discontinue all usage in any manner of the words "Honey Baked Ham", and any and all of the other Marks and derivations thereof and any words and marks confusingly similar thereto.

**9.3 No Duplication.** Neither Franchisee nor any person controlling, controlled by or under common control with Franchisee shall, at any time during or after the term hereof, use any of the Marks or any names or marks confusingly similar thereto or the HoneyBaked System or any unique or proprietary portion thereof in connection with any other store or other business or cause, permit or assist any store or other business to look like, copy or imitate any HBH Stores, except in accordance with other Franchise Agreements between HBH and Franchisee.

**9.4 Infringements.** Franchisee shall immediately notify HBH of all infringements or imitations of the Marks or of the HoneyBaked System (including, without limitation, any copyrights owned by HBH and/or Licensor), which come to the attention of Franchisee, and Franchisee agrees and acknowledges that Licensor shall take such action as it, in its sole discretion, deems appropriate. Franchisee agrees and acknowledges that Licensor shall have the exclusive right to protect and defend the Marks and the HoneyBaked System and shall have absolute discretion as to how to protect and defend and whether to

protect and defend the Marks. Licensor shall have the right exclusively to control any litigation or Patent and Trademark Office or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any of the Marks (or any such copyrights). Franchisee agrees to cooperate in the prosecution of any action to prevent the infringement, imitation, illegal use or misuse of the Marks or the HoneyBaked System (or any such copyrights) and agrees to be named as a party in any such action if so requested. Franchisee also agrees and acknowledges that under some circumstances, HBH may be undertaking the protection and defense of the Marks and the HoneyBaked System. Franchisee shall cooperate in the prosecution of any such action and be named as a party, if requested by HBH.

**9.5 Quality Assurance.** HBH has the right, in its sole discretion, to determine, approve and supervise the quality of service, the food products and ingredients used by Franchisee and the method of preparation of all products sold from the Store; to conduct periodic inspections of the Store and the equipment, furnishings and products therein; to examine the orders prepared, offered for sale and served by Franchisee; and to take all other action, of whatever kind or nature, it deems necessary or appropriate to maintain the quality and standards of HBH's products and services, the Store and the HoneyBaked System. This right is in addition to, and not in lieu of, other specific rights and procedures set forth herein.

**9.6 Non-Uniformity of Standards.** HBH specifically reserves the right and privilege, at its sole discretion, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, existing business practices or any other condition which HBH deems to be of importance to the successful operation of such franchisee's business. Franchisee shall not be entitled to require HBH to grant to Franchisee a like or similar variation.

**9.7 Modifications and Changes Regarding Franchise.** HBH, in its sole discretion, may notify Franchisee from time to time of changes or modifications to the HoneyBaked System, including without limitation, modifications to the FOM, the menu and format, the processes and systems to support the business, the products offered for sale, the required equipment, the signage, the building and premises of the Store or any other matters relating thereto, the presentation and usage of the Marks, and the adoption and use of new, modified or substituted Marks or other proprietary materials. Franchisee shall accept and use or display in the Store any such changes or modifications in the HoneyBaked System as if they were a part of the HoneyBaked System at the time this Agreement was executed, and Franchisee will make such expenditures that such changes or modifications require.

## **10. STORE OPERATIONS**

### **10.1 Franchise Operations Manual ("FOM"); Prices.**

(a) Franchisee shall operate the Store in accordance with the FOM. Franchisee understands and acknowledges that HBH will, from time to time, revise the contents of the FOM to implement new or different operating requirements applicable to all HBH Stores, and Franchisee expressly agrees to comply with each requirement within such reasonable time as HBH may require. In the event of any dispute as to the contents of the FOM, the terms of the master copies maintained by HBH shall be controlling.

(b) HBH may offer guidance to Franchisee, or impose requirements with respect to prices for the products and services of the Store that in its judgment constitute good business practice. In the case of fixed minimum or maximum price requirements, HBH shall only impose requirements which are permitted under applicable law.

**10.2 Store Operator.** Franchisee must designate an individual to serve as the Store Operator who must complete HBH's training program as described in Section 12 and any additional training

programs that HBH may require to HBH's satisfaction. Franchisee (or if Franchisee is a corporation, partnership or limited liability company ("LLC"), a person who has an equity ownership interest in Franchisee) may serve as the Store Operator. The Store Operator shall have full control over and devote his or her best efforts to supervising the day-to-day operation of the Store. The Store Operator shall carefully monitor the performance of any person who is actively involved in the management or operation of the Store. The Store Operator shall not, without HBH's prior written approval, engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with Franchisee's obligations under this Agreement. If the Store Operator no longer qualifies as such, Franchisee must designate another qualified person to act as the Store Operator within thirty (30) days after the date the prior Store Operator ceases to be qualified. Franchisee's designee to be the Store Operator must satisfy the criteria set forth in this Section 10.2 prior to assuming the Store Operator position. Franchisee and each person who is actively involved in the management or operation of the business of Franchisee must continuously demonstrate to HBH the ability to operate the business of the Store pursuant to this Agreement and all other Franchise Agreements between any of such persons and HBH.

**10.3 Staffing.** Franchisee shall maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers, including specified positions and minimum staffing levels that HBH may establish from time to time in the FOM. Franchisee shall have sole responsibility for all employment decisions and functions of the Store, including those related to hiring, firing, training, wage and hour requirements, recordkeeping, supervision, and discipline of employees, despite any information or advice HBH may provide. Franchisee shall take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as HBH may establish from time to time in the FOM. Franchisee shall take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations and comply with such dress code and cleanliness and sanitation standards as HBH may prescribe in the FOM, or as may be required under applicable law. Franchisee shall cause its employees to wear apparel which conforms strictly to the specifications, design, color and style as determined by HBH from time to time. Franchisee, the Store Operator and the staff working at the Store shall, at all times, cooperate with HBH and with HBH's representatives.

**10.4 Approved Goods and Services.** Franchisee shall sell from the Store all products and services specified by HBH as referenced in FOM and will not sell or offer for sale any other products or services of any kind without first obtaining the prior written consent of HBH, which consent may be arbitrarily withheld. Any and all supplies or materials purchased, leased or licensed by Franchisee shall at all times meet the standards specified by HBH in the FOM or otherwise. Franchisee shall use only such food products and ingredients and methods of preparation and service that conform to the standards and specifications of HBH in effect from time to time. Franchisee shall discontinue selling or offering for sale any products that HBH may, in its discretion, disapprove in writing at any time.

**10.5 Maintenance of Store.** Franchisee shall maintain at all times, at its expense, the Store, equipment, fixtures, furnishings and furniture and related premises, parking areas, landscape areas and interior and exterior signs in a good, clean, attractive and safe condition in conformity with HBH's high standards and public image. Franchisee shall make such repairs and replacements thereto as may be required to keep the Store in the highest degree of sanitation, repair and condition. However, Franchisee shall not undertake any alterations or additions (but may perform maintenance and make repairs) to the buildings, equipment or parking area without the prior written consent of HBH.

**10.6 Compliance with Laws.** Franchisee shall comply with all laws, rules, ordinances and regulations that affect or otherwise concern the Store, including without limitation the Americans with Disabilities Act, as amended. Franchisee specifically agrees to comply with applicable health and safety

laws, ordinances and regulations so as to be rated in the highest available health and safety classification by the appropriate governmental authorities and to furnish to HBH within ten (10) days of Franchisee's receipt thereof, copies of all inspection reports, warnings, certificates and ratings issued by any governmental agency relating to the Store.

**10.7 Litigation.** Franchisee shall notify HBH in writing within ten (10) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may materially adversely affect Franchisee's financial condition or its ability to meet its obligations hereunder, or which may adversely affect the HoneyBaked System in any respect.

**10.8 Inspection of Facilities.** Franchisee shall permit representatives of HBH or Licensor to enter the Store at any time during normal business hours for the purpose of inspecting the operations and facilities (including, but not limited to, testing, sampling and inspecting the ingredients used by Franchisee and the products sold by it, as well as the storage and preparation of such ingredients and products). Franchisee shall reasonably cooperate with HBH's or Licensor's representatives in such inspections. Franchisee shall permit HBH's or Licensor's representatives to remove from the Store samples of any ingredients and products without payment therefore in amounts reasonably necessary for testing by HBH or Licensor or, at their option, an independent certified laboratory, to determine whether such samples meet then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisee may be required to bear the cost of such testing if the supplier from whom such ingredients and products were acquired has not been approved by HBH or if the sample fails to conform to HBH's specifications. Upon notice from HBH, Licensor or their representatives, Franchisee shall immediately take all necessary steps to correct any deficiencies including, without limitation, immediately ceasing to use any methods, ingredients, products or advertising materials which do not conform to HBH's then-current specifications, standards or requirements. If HBH, Licensor or their representatives conduct a follow-up inspection to ascertain whether the deficiencies have been corrected, Franchisee shall pay for the reasonable costs of the follow-up inspection.

**10.9 Inventory.**

(a) Franchisee shall purchase all inventory other than Specialty Hams (including food and non-food items) from suppliers designated or approved in advance by HBH, which approval may be arbitrarily withheld in HBH's sole discretion. Such invoices shall be promptly paid by Franchisee in accordance with their terms. Franchisee acknowledges that there may be a limited number of (in some cases, just one) approved supplier(s) for certain products. Neither HBH nor Licensor shall have any obligation to release any trade secret, confidential formulae or confidential recipe to Franchisee or any supplier. Franchisee may also, at its option if offered by HBH, purchase such inventory from HBH.

(b) Franchisee shall purchase Specialty Hams from HBH or HBH's designated suppliers and shall not purchase Specialty Hams from any other source. Franchisee acknowledges that the Marks, the HoneyBaked System and the trade secret recipes and processes relating to Specialty Hams, are proprietary in nature and are an essential and integral part of, and not separate from, the franchise rights granted herein. Franchisee acknowledges: (1) that HBH Stores are mere conduits through which Specialty Hams bearing the Marks flow to the consumers; (2) that the Marks are the representation of the end product and the sale of substandard products under the Marks would dissipate the Marks' goodwill and reduce their value; (3) that the Marks identify the Specialty Hams; (4) that the desirability of the Marks and the quality of the Specialty Hams that the Marks represent are inextricably interrelated; (5) that the Marks and Specialty Hams are integral components of one another; (6) HBH and its affiliates will receive revenues and profits from Franchisee's purchases of Specialty Hams and from other purchases Franchisee chooses to make from HBH.

(c) If Franchisee proposes to purchase any items (other than Specialty Hams) from any supplier not designated or approved in advance by HBH, Franchisee shall submit a written request to HBH. HBH may require that its representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered to HBH or its designee without charge for testing. HBH may assess a charge for the cost of such inspection and testing against Franchisee or the supplier seeking approval. The supplier must also demonstrate to HBH the existence of quality controls and the financial and managerial capacity to supply Franchisee's needs promptly and reliably. HBH will notify Franchisee in writing within a reasonable time frame as to whether Franchisee is authorized to purchase such items from that supplier. HBH has the right to approve or reject Franchisee's request to use an alternate supplier in its sole discretion. HBH reserves the right, at its option, to reinspect the facilities and to retest the products of such approved supplier at any time, and to revoke such approval if the supplier fails to continue to meet any of the foregoing criteria. Upon written notice from HBH, Franchisee shall immediately cease using any approved supplier.

(d) With respect to any inventory purchased by Franchisee from HBH (including Specialty Hams) Franchisee acknowledges that the purchase price for such inventory will include a payment for HBH's services in procuring, handling and delivering such items and a profit for HBH. Such invoices shall be promptly paid by Franchisee in accordance with their terms.

(e) Any items purchased by Franchisee shall at all times meet the standards specified by HBH in the FOM. Franchisee must purchase an initial inventory of supplies and products as indicated in FOM prior to opening the Store and must replenish such inventory and supplies as needed during the term of this Agreement to operate the Store to its full potential. Franchisee shall use only those products and ingredients (including, but not limited to, meat and poultry products, sauces, food additives and condiments) and methods of preparation and service as conform to the standards and specifications of HBH in effect from time to time.

**10.10 Hours of Operation.** Franchisee shall operate the Store in accordance with the required hours outlined in the Franchise Operations Manual. Any request to change Store hours must be submitted to HBH in writing and permission may be arbitrarily withheld by HBH in its sole discretion. Franchisee agrees and acknowledges that during certain holiday periods, Franchisee will be required to extend their hours as specified by HBH. —Franchisee will not discontinue operations of the Store without the prior written consent of HBH, which consent must be obtained at least thirty (30) days prior to the date of closing. Such consent may be arbitrarily withheld by HBH in its sole discretion.

**10.11 Store Location and Use.** Franchisee may operate the Store only at the Designated Location. Franchisee may not relocate the Store except with HBH's prior written consent, which consent may be arbitrarily withheld. The Store may only be used for the operation of an HBH Store and other related activities approved by HBH in writing. If Franchisee's lease expires or terminates through no fault of Franchisee or if the Store site is condemned, destroyed or rendered unusable, HBH will grant permission for relocation of the Store to a location and site within the Protected Territory meeting HBH's standards, provided the new location is not in HBH's opinion, too proximate to an HBH Store located outside the Protected Territory. Any relocation will be at Franchisee's sole expense. Franchisee must sign a relocation addendum to this Agreement that contains a general release of all claims and pay HBH a relocation fee in the amount of ~~threeten~~ thousand ~~five hundred~~ dollars (\$~~3,500~~10,000) to cover HBH's expenses in reviewing the new Store location.

~~**10.12 Acceptance of Gift Certificates and Gift Cards.** Franchisee shall follow HBH's guidelines concerning the acceptance and reimbursement of gift certificates and gift cards, as set forth from time to time in the FOM or otherwise in writing.~~

**10.12 Gift Card and Electronic Money Programs.** Franchisee must participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs as HBH may prescribe from time to time. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require Franchisee to purchase software, hardware, blank cards, and additional equipment. Franchisee shall pay such periodic and per-swipe transaction and commission fees as may be required by the vendor or reseller of the programs. Franchisee shall follow HBH's guidelines concerning these programs as set forth from time to time in the FOM or otherwise in writing. Franchisee agrees not to sell, issue, or redeem coupons, gift certificates or gift cards other than gift cards that HBH has approved in writing.

**10.13 Customer Loyalty Program.**

(a) Franchisee shall participate in the customer loyalty program that HBH prescribes from time to time for the HoneyBaked System ("Loyalty Program") in accordance with the terms and conditions set forth in the FOM. Franchisee shall comply with all requirements of HBH or any third-party service provider designated by HBH to carry out the Loyalty Program, including, without limitation, providing discounts or complimentary products. Franchisee agrees to train all management personnel and staff at the Store in accordance with HBH's brand standards relating to the Loyalty Program, including compliance with Loyalty Program guidelines and proper execution of the Loyalty Program (such as following any in-Store scripting developed by HBH to recognize Loyalty Program participants and provide Loyalty Program benefits to participants). Franchisee may not copy, reproduce or in any way duplicate the Loyalty Program for use outside the HoneyBaked System or in contravention of the terms of this Agreement.

(b) At all times, ownership of the Loyalty Program, participant data, and any other data derived through Franchisee's participation in the Loyalty Program is the exclusive property of HBH. All data, information, reports, specifications, written materials, software and computer data used with or derived from the Loyalty Program will be deemed Confidential Information as that term is defined in Section 18.4 below. Franchisee shall not use any customer reward or recognition program or collect any participant data outside of the Loyalty Program. Franchisee's use of participant data or participation in any other customer reward or recognition program is a material default of this Agreement.

(c) Franchisee acknowledges that the Loyalty Program is an integral part of promoting the Store and other HBH Stores to customers. HBH reserves the right to: (1) pay for all reasonable administrative costs associated with the Loyalty Program out of the Advertising Fund; and/or (2) charge Franchisee a reasonable Loyalty Program participation fee for the Store as specified in the FOM from time to time.

**10.14 New Concepts.** If Franchisee develops any new concept, process or improvement or any slogan in the operation or promotion of the Store, Franchisee agrees promptly to notify HBH and provide HBH with all necessary information without compensation. Franchisee acknowledges that any such concept, process, improvement or slogan shall become Licensor's property and that Licensor and HBH may utilize or disclose this information to other franchisees.

**10.15 Shipments of Products.** Consistent with Section 4.4, Franchisee shall refer to HBH or a designated affiliate of HBH all customer orders which require shipment of products and HBH or such designated affiliate shall complete all such orders (including billing and collection) and ship the products directly to the customer ("Shipping Customer"). Once a Shipping Customer is referred to HBH, all data related to that customer shall be entered into HBH's database and HBH will directly solicit future shipping

orders from such customer through e-commerce marketing, telemarketing, direct mail and other forms of marketing.

#### **10.16 Technology Systems, Point-of-Sale System and Licensed Materials.**

(a) Franchisee agrees to purchase or lease the technology systems, computer hardware and software systems, and point-of-sale system for the Store as designated by HBH and update or replace these items from time to time at HBH's request or as specified or modified in the FOM or otherwise in writing. Franchisee shall use only systems approved by HBH and will purchase the systems only from approved suppliers, which approval may be arbitrarily withheld. The point-of-sale system shall be designed to record sales, product usage and labor tracking and to produce periodic reports for use by Franchisee and HBH. HBH has the right to independently access Franchisee's point-of-sale system at any time. HBH, at its option, may be the sole approved supplier of any such system.

(b) As of the Effective Date, HBH and its licensors are the sole approved supplier of its proprietary "CMS" point-of-sale system, which Franchisee must purchase prior to opening the Store. Franchisee shall execute and deliver HBH's standard form of CMS Support Agreement and End User Software License Agreement ("CMS Support Agreement") pay the fees as provided therein. Franchisee may use the CMS point-of-sale system and its related software, specifications and documentation (collectively, the "Licensed Materials") solely to operate the Store pursuant to the terms of this Agreement. Franchisee acknowledges and agrees that the Licensed Materials comprise "trade secrets" and Confidential Information (as defined in Section 18.4) of HBH and its licensors and that as such, the Licensed Materials are subject to the use and disclosure restrictions set forth in Section 18.4 hereof and to the requirement set forth in Section 16.2 hereof that the all Licensed Materials be returned immediately to HBH upon any termination or expiration hereof, without compensation to Franchisee. HBH may designate a different point-of-sale system during the term of this Agreement and Franchisee shall replace the point-of-sale system and software as required by HBH.

**10.17 Electronic Payment Systems.** Franchisee agrees to comply with HBH's standards for processing electronic payments and any costs to do so are at Franchisee's expense. Franchisee further agrees to abide by: (a) the Payment Card Industry Data Security Standards ("PCIDSS") enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); (b) the Fair and Accurate Credit Transactions Act ("FACTA"); and (c) all other standards, laws, rules, regulations or any equivalent thereof applicable to electronic payments that may be published from time to time by payment card companies and applicable to electronic payments ("Electronic Payment Requirements"). If required by HBH or by one of the credit card companies, Franchisee shall provide HBH with evidence of compliance with PCIDSS, FACTA, or applicable Electronic Payment Requirements and provide, or make available, to HBH copies of an audit, scanning results or related documentation relating to such compliance. Any costs associated with an audit or to gain compliance with PCIDSS, FACTA or any Electronic Payment Requirements shall be borne by Franchisee. If Franchisee has knowledge of or suspects a security breach, Franchisee must immediately notify HBH. Franchisee shall promptly identify and remediate the source of any compromise. Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Store.

**10.18 Sales by HBH's Sales Representatives.** Sales representatives of HBH or its affiliates may (but are not obligated to) from time to time assist Franchisee in developing new customers.

#### **10.19 Customer Satisfaction and Franchise Compliance Programs.**

(a) Franchisee shall participate in programs required from time to time by HBH regarding customer satisfaction or Franchisee's compliance with the HoneyBaked System, which may include (but are not limited to) a guest feedback hotline, guest survey programs, mystery shopping, or other programs as HBH may require. HBH shall share the results of these programs, as they pertain to the Store, with Franchisee. HBH shall have the right to set minimum score requirements for these programs that the Store must meet. Franchisee shall pay for all costs related to the Store associated with any such programs.

(b) Franchisee shall immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Store or any similar complaints. When any customer complaints cannot be immediately resolved, Franchisee shall use reasonable efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If HBH, in its sole discretion, determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if HBH, in its sole discretion, believes that Franchisee has failed adequately to address or resolve any customer complaints, HBH may, without Franchisee's consent, resolve any complaints and charge Franchisee an amount sufficient to cover HBH's reasonable costs and expenses in resolving the customer complaints, which amount Franchisee shall pay HBH immediately on demand.

## 11. RECORDS AND REPORTS

**11.1 Bookkeeping and Recordkeeping.** Franchisee agrees to establish a bookkeeping and recordkeeping system conforming to the requirements prescribed from time to time by HBH, relating, without limitation, to the use and retention of daily sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and general ledgers. Franchisee acknowledges and agrees that if HBH or Licensor is required or permitted by statute, rule, regulation or any other legal requirement to disclose any information regarding Franchisee or the operation of the Store, including without limitation earnings or other financial information, HBH and Licensor shall be entitled to disclose such information. HBH currently requires all franchisees to use Quickbooks software and HBH's standard chart of accounts. If HBH is not in possession of any such information required to be disclosed, Franchisee shall provide such information to HBH upon HBH's request. In addition, Franchisee also shall provide to HBH in a timely fashion any other reports or information reasonably requested by HBH from time to time relating to Franchisee or the Store.

### **11.2 Sales Reports and Financial Statements.**

(a) Not later than the 20th day of each month, Franchisee shall deliver monthly statements to HBH, on forms prescribed by HBH, stating the fees due to HBH in respect of Franchisee's revenues during the preceding month itemized by revenue producing activity as specified from time to time by HBH, the net sales at the Store for the prior month, and such other information as HBH may require, all signed and certified as true and correct by an authorized agent of Franchisee.

(b) Franchisee shall furnish HBH with a copy of each of its reports and returns of sales, use and gross receipt taxes, and federal and state income taxes, which Franchisee shall certify as true and correct, by mailing such reports to HBH contemporaneously with the mailing of such reports and returns to the appropriate taxing authority.

(c) Franchisee shall deliver to HBH, not later than thirty (30) days after the end of each month an unaudited profit and loss statement and balance sheet in a form satisfactory to HBH covering Franchisee's business for the prior month and for the fiscal year to date, all of which shall be certified by Franchisee as true and correct. In addition, Franchisee shall, within thirty (30) days after request from

HBH, deliver to HBH a balance sheet, certified as correct and current, in a form which is satisfactory to HBH and which fairly represents the total assets and liabilities of Franchisee.

(d) In addition to the foregoing unaudited statements, within ninety (90) days after the close of each fiscal year of Franchisee, Franchisee shall furnish to HBH financial statements compiled or reviewed by an independent certified public accountant in a form satisfactory to HBH, which shall include a statement of income and retained earnings, a statement of cash flows, and a balance sheet of Franchisee, all for the fiscal year then ended. If Franchisee does not, in the ordinary course, obtain financial statements compiled or reviewed by an independent certified public accountant, then Franchisee may provide unaudited statements which shall be certified as true and correct by Franchisee or Franchisee's principal executive officer or chief financial officer if Franchisee is a partnership, corporation or LLC. HBH shall have the right at any time to require audited annual statements to be provided to it, at Franchisee's expense.

(e) Franchisee will permit authorized personnel of HBH to inspect, examine and audit its books, tax returns and records at any reasonable time. In addition, Franchisee shall permit independent public accountants designated by HBH to audit its books of account at any reasonable time, at the expense of HBH. If any audit discloses that the reported net sales of Franchisee have been understated, Franchisee shall immediately pay to HBH the amount of royalty fees and advertising contributions overdue, unreported or understated, together with interest as prescribed in Section 7.4 hereof. In addition, if the audit discloses an understatement of two percent (2%) or more of the net sales of Franchisee for any period or periods, then Franchisee shall also pay to HBH the reasonable cost of the audit including, without limitation, the charges, costs and expenses of any accountant and any attorneys and the travel and other expenses of HBH's employees. Franchisee shall also pay for two (2) subsequent audits of its books of account over the next twenty-four (24) months to verify that the accounting irregularities have been corrected. The foregoing remedies shall be in addition to any other remedies HBH may have.

(f) All reports and financial statements shall use HBH's then-current standard chart of accounts. Franchisee shall purchase any software required by HBH to submit such reports and financial statements in the proper format. The information in each report and financial statement must be complete and accurate and signed by an officer of Franchisee. HBH reserves the right to publish or disclose information that HBH obtains under this section in any data compilations, collections, or aggregations that HBH deems appropriate, in its sole discretion, so long as HBH does not disclose information relating to the performance of Franchisee's individual Store, unless such disclosure is required by law or court order. HBH strongly encourages Franchisee to use the reporting periods and fiscal year that are used by HBH. Franchisee acknowledges and agrees that HBH may share information from reports that Franchisee provides to HBH with other prospective and existing franchisees.

## 12. HBH TRAINING PROGRAM

**12.1 Initial Training.** As and when requested by HBH, the following persons shall enroll in, and complete, HBH's initial training program and any additional training programs established from time to time by HBH:

(a) Franchisee, if Franchisee is an individual, or one of the persons with an equity ownership interest in Franchisee if Franchisee is a corporation, partnership or LLC; and

(b) The Store Operator or, if Franchisee or an owner of Franchisee will serve as the Store Operator, one (1) additional key employee who will be actively involved in the management or operation of the Store.

Each such person must successfully complete HBH's initial training program to HBH's satisfaction before the Store may open for business. The training programs and classes will be furnished at such times and places as HBH designates. No fee shall be charged by HBH for the participation of such individuals in the initial training program. However, Franchisee shall be responsible for the costs and expenses (such as room, board and transportation) of each person who attends the program. In the event that the opening date of the Store will occur more than seventy-five (75) days after both trainees have completed the second phase (fifteen (15) days of in-store training) of the initial training program, HBH requires both trainees attend an additional one (1) week training program at an approved HBH location prior to opening the Store. Franchisee will be responsible for all costs associated with the additional training period including room, board, transportation and payment to HBH of the reasonable costs of the additional training program. In addition, HBH may determine that it is necessary to supply an additional trainer for a five (5) day period prior to opening the Store and HBH reserves the right to charge a fee equal to twice the daily salary of the trainer plus travel expenses that HBH incurs in providing the additional trainer.

**12.2 On-site Training.** Franchisee and the Store Operator shall implement an HBH approved training program as outlined in FOM for employees of the Store and be responsible for their proper training. Franchisee agrees not to employ any person who fails or refuses to complete Franchisee's training program or is unqualified to perform his or her duties at the Store in accordance with the requirements established for the operation of an HBH Store. Franchisee shall also train any replacement Store Operator within thirty (30) days after they assume the Store Operator position. If requested by Franchisee, and if personnel are available, HBH may send a representative to provide on-site training for Franchisee, the Store Operator and/or management personnel at the Store. HBH reserves the right to charge a per diem training fee plus travel expenses and costs incurred by HBH in rendering such training.

**12.3 Additional Training.** HBH may also, at its option, require Franchisee (or one or more of the persons listed in Section 12.1 above) to attend additional training programs (including without limitation HBH's holiday readiness programs) which may be offered from time to time by HBH. Such additional training may take place at HBH's headquarters or at other locations selected by HBH. Franchisee will be responsible for the reasonable costs of such programs and for the travel and living expenses of such persons and any other costs incurred during these programs.

**12.4 Conferences.** HBH may require Franchisee (or one or more of the persons listed in Section 12.1 above) to attend conferences, including HBH's conventions, which may be offered from time to time by HBH. Franchisee will be responsible for all expenses of such persons and HBH may charge a reasonable fee sufficient to cover its costs and expense.

### **13. ADVERTISING AND PROMOTIONS**

**13.1 Monthly Advertising Obligation.** During the term of this Agreement, Franchisee shall have a monthly advertising obligation in an amount up to 5% of the net sales of the Store, which shall be comprised of Franchisee's local advertising expenditure as described in Section 13.2(e), Advertising Fund contribution as described in Section 13.3, and/or contribution to an advertising cooperative as described in Section 13.4 ("Monthly Advertising Obligation"). As of the Effective Date, Franchisee's Monthly Advertising Obligation is 4.25% of net sales, which includes a local advertising expenditure of 1% of net sales and an Advertising Fund contribution of 3.25% of net sales. Following thirty (30) days' prior written notice to Franchisee, HBH may increase and reallocate the Monthly Advertising Obligation among the local advertising expenditure, the Advertising Fund, and an advertising cooperative.

#### **13.2 By Franchisee.**

**(a)** Any and all advertising and marketing materials not prepared or previously approved by HBH shall be submitted to HBH at least two (2) weeks prior to any publication or run date for approval, which may be arbitrarily withheld. HBH may, in its sole discretion, withhold its approval if it determines that the materials do not fit within HBH's promotional concept for the HoneyBaked System or that the advertising materials may be damaging to the HoneyBaked System. HBH will provide Franchisee with written notification of its approval or disapproval within a reasonable time. Franchisee must discontinue the use of any approved advertising within five (5) days of Franchisee's receipt of HBH's request to do so. All advertising and promotion by Franchisee must be factually accurate and shall not detrimentally affect the Marks or the HoneyBaked System, as determined in HBH's sole discretion. Franchisee agrees that all products will be marketed to the public as high-end premium products to protect and enhance the image and goodwill of the Marks and the HoneyBaked System.

**(b)** Franchisee must participate in and maintain a Store website through the HoneyBaked.com website. All internet, web marketing and advertising efforts adopted by Franchisee must promote Franchisee's Store website or store location and must be approved in advance by HBH in writing. Unless HBH has agreed to it in writing, Franchisee may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any products or services of the Store. Franchisee acknowledges that the use of any electronic medium constitutes advertising and promotion subject to HBH's approval under Section 13.2(a). Franchisee agrees not to transmit, or cause any other party to transmit, advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VOIP, streaming media, or other electronic media that currently exists or may exist in the future without first obtaining HBH's written consent as to: (a) the content of the advertisements or solicitations; and (b) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Store must be in the form prescribed by HBH. If HBH approves the use of an electronic medium, its approval will be conditioned on Franchisee's compliance with any standards and procedures HBH issues with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that HBH may prescribe. Franchisee shall comply with HBH's standards for the HoneyBaked System, as set forth in the FOM or otherwise, with regard to HBH's authorization to use, and the use of, blogs, common social networks (including Facebook, Instagram and Pinterest), professional networks (including LinkedIn), live blogging tools (including X and Threads), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools that in any way reference the Marks or involve the HoneyBaked System or the Store.

**(c)** Franchisee shall pay a monthly Technology Fee to HBH in the amount of one hundred ~~ten~~fifty-two dollars (~~\$110~~152) that HBH may use to develop and launch Franchisee's Store website and the ongoing updating and maintenance costs associated with such website, for HBH's Store locator service, third-party and/or internal delivery platforms, online ordering services and other technological advances. HBH reserves the right to increase the Technology Fee at any time and the increase shall be effective no sooner than thirty (30) days after HBH notifies Franchisee of the increase in writing.

**(d)** HBH may develop and procure local advertising and marketing plans and materials, including, without limitation, newspaper slicks, radio commercial tapes, television commercial prints, sales aids, and other promotional and marketing materials. If Franchisee chooses to purchase such materials from HBH, HBH may charge Franchisee an amount for such materials sufficient to cover HBH's costs and expenses incurred in developing or procuring such advertising materials. HBH shall choose and determine, in its sole discretion, the advertising materials (as to kind and quality) to be offered to Franchisee. Franchisee may also purchase such advertising materials from an approved third party.

(e) Franchisee shall ~~be required to~~ spend a minimum of ~~ten~~twenty thousand dollars (~~\$10,000~~20,000) prior to and within ninety (90) days of opening the Store on pre-opening and grand opening local advertising as prescribed in the FOM. Each month, Franchisee shall also spend the amount required by its then-current Monthly Advertising Obligation for local advertising. Local advertising costs shall not include incentive programs, including costs of honoring coupons, food costs incurred in honoring sales promotions, salaries, contributions or donations, press parties, in-store fixtures or equipment, non-promotional collateral materials, including but not limited to menus, serving guides and nutritional facts, travel, seminar and educational costs or specialty items or exterior signage. HBH shall have the right to require Franchisee to supply to HBH, at least quarterly, copies of invoices documenting expenditures for local advertising. If Franchisee does not make the required local advertising expenditures in any twelve (12) month period (a “Local Advertising Deficiency”), HBH may require Franchisee to submit a written plan (an “Advertising Plan”) which shall contemplate the expenditure of the Local Advertising Deficiency within a period of six (6) months after the date HBH requests the submission of the Advertising Plan. If Franchisee fails to make advertising expenditures in accordance with its Advertising Plan, HBH shall have the right to spend the amount of the Local Advertising Deficiency, and Franchisee must make reimbursement to HBH. Such failure shall also be deemed a material breach of this Agreement.

### **13.3 Advertising Fund.**

(a) Franchisee must participate in the national advertising fund that HBH has developed for the benefit of the HoneyBaked System (the “Advertising Fund”). Each month, Franchisee must contribute the amount required by its then-current Monthly Advertising Obligation to the Advertising Fund. Payments to the Advertising Fund shall be made on or before the 20th day of each calendar month based on the net sales of the Store during the preceding calendar month. All costs of the formulation, development and placement of any such advertising and promotion (including without limitation the proportionate compensation of HBH employees who devote time and render services in connection with such advertising and promotion programs or the administration of the funds), will be paid from the Advertising Fund. All advertising plans and materials developed by HBH and paid for from the Advertising Fund will be provided at no additional cost to Franchisee.

(b) HBH shall administratively segregate all contributions to the Advertising Fund on its books and records. All such payments to the Advertising Fund may be deposited in HBH’s general operating account, may be commingled with HBH’s general operating funds, and shall be deemed an asset of HBH, subject, however, to HBH’s obligation to expend the Advertising Fund in accordance with this Section 13.3.

(c) HBH will submit to Franchisee upon request an annual accounting prepared by HBH of the receipts and disbursements of the Advertising Fund. HBH reserves the right to engage the services of an advertising agency or agencies or other agency or agencies to formulate, develop, produce and conduct the advertising and promotion programs, the cost of such services to be payable from the Advertising Fund. Financial statements (which need not be audited) of the Advertising Fund as prepared in the ordinary course of business will be available for review by Franchisee upon request.

(d) HBH reserves the right, in its sole discretion, to determine the composition and geographic scope of the Advertising Fund. HBH shall choose and determine, in its sole discretion, the concepts, materials and media used in any advertising or promotional activity funded by the Advertising Fund. HBH may terminate the Advertising Fund upon thirty (30) days written notice to its franchisees for any reason, but the Advertising Fund will continue until all amounts contributed to such fund have been expended for advertising and promotional purposes. Franchisee acknowledges that HBH undertakes no obligation in developing, implementing or administering the Advertising Fund to ensure that expenditures which are proportionate or equivalent to Franchisee’s contributions are made for the market area of the

Store or that any HBH Store will benefit directly or pro rata from the placement of advertising. Franchisee also acknowledges that HBH and its affiliates' company-owned stores are not required to contribute to the Advertising Fund.

(e) Nothing herein creates a fiduciary relationship between the parties or between either of the parties and Licensor, nor shall anything herein be deemed to create any trust duties between the parties or either of them and Licensor. No covenant shall be implied to vary or interpret the terms of this provision.

#### **13.4 Advertising Cooperative.**

(a) HBH may, but is not obligated to, develop an advertising cooperative program (which may include one or more regions) to determine the concepts, materials, and media to be utilized in any advertising or promotional activity funded by the cooperative. Franchisee shall become a member of any cooperative applicable to its Store and will abide by any rules and procedures adopted by such cooperative and approved by HBH. If a conflict arises between the rules and procedures of any cooperative of which Franchisee is a member and this Agreement, this Agreement shall govern. HBH may, but is not obligated to, resolve any dispute regarding any cooperative which arises among its members, which resolution shall be binding on all members.

(b) An advertising cooperative program established for any region shall include representation from all of HBH's franchisees located in that region.

(c) HBH reserves the right to engage the services of an advertising agency or agencies or other agency or agencies to formulate, develop, produce and conduct the advertising and promotion programs for the cooperatives with the cost of these services payable from the appropriate cooperative.

**13.5 Promotional Programs.** In addition to the local, national and regional advertising described in this Section 13, HBH may from time to time develop and administer advertising, marketing and sales promotion programs in which Franchisee shall participate upon such terms and conditions as established by HBH. Such programs are in addition to Franchisee's national, regional and local marketing obligations and may include, but not be limited to, limited time offers, marketing promotions, specialized menu offerings and similar programs. All phases of such advertising and promotion, including, without limitation, type, quantity, timing, placement, and choice of media, market areas, promotional programs and advertising agencies, shall be determined by HBH in its sole discretion.

### **14. RELATIONSHIP; INDEMNIFICATION; INSURANCE**

**14.1 Independent Contractor.** Franchisee is an independent contractor for all purposes hereunder. Nothing in this Agreement shall create a relationship of agent, partner, subsidiary, fiduciary, legal representative, joint venture, joint employer, or employee with or of HBH or Licensor. Franchisee shall have no authority to create any responsibility, express or implied, on behalf of or in the name of HBH or to bind HBH in any manner or thing whatsoever. Franchisee shall take all such actions as HBH may reasonably request to disclose Franchisee's identity as an independent business entity and HBH's and Licensor's lack of responsibility for acts or omissions by Franchisee. Without limiting the generality of the foregoing, in all public relations, records and its relations with other persons, and in any document, Franchisee shall indicate clearly the independent ownership of Franchisee's business and that the operations of the business are separate and distinct from the operations of HBH's business.

## **14.2 Indemnification.**

(a) If HBH, Licensor or any of HBH's or Licensor's affiliates', or any of HBH's, Licensor's or their affiliates' officers, directors, managers, agents or employees are subjected to any claim, demand or penalty or become a party to any suit or other judicial or administrative proceeding by reason of any claimed act or omission by Franchisee, Franchisee's employees or agents, or by reason of any act occurring on the Store premises, or by reason of an omission with respect to the business or operation of the Store, Franchisee shall indemnify and hold harmless HBH, Licensor and their affiliates, and each of their officers, directors, managers, agents or employees, from and against all losses, judgments, settlements, penalties, and expenses, including attorneys' fees, court costs and other expenses of litigation or administrative proceeding, incurred by or imposed on HBH, Licensor, their respective affiliates, or any of their officers, directors, managers, agents or employees, in connection with or relating to such claim or litigation or administrative proceeding. Franchisee's indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

(b) If Franchisee or (if Franchisee is a partnership, corporation or LLC) any of Franchisee's owners or its affiliates or any of their agents or employees are subjected to any claim, demand or penalty or are made a party to any suit or other judicial or administrative proceeding by reason of any claim asserted during the term of this Agreement that Franchisee's use of the Marks during the term of this Agreement in accordance with the terms and provisions of this Agreement infringes a third party's trademark, trade name, service mark, copyright or patent rights, HBH shall indemnify and hold harmless Franchisee and (if applicable), Franchisee's owners and affiliates, or any of their agents or employees, from and against all losses, judgments, settlements, penalties, and costs and expenses, including attorneys' fees, court costs and other expenses of litigation or administrative proceeding, incurred by or imposed on any of such persons or entities in connection with or relating to such claim or litigation or administrative proceeding. HBH's indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

**14.3 Insurance.** Franchisee shall at all times during the term of the franchise maintain in force at Franchisee's sole expense:

(a) Property insurance equal to one hundred percent (100%) of replacement cost basis covering Franchisee's tangible assets and business personal property on all-risk basis (special peril form). Franchisees operating a Store in designated flood-prone areas (A, B, & V zones) and areas available for windstorm policies must obtain flood and windstorm insurance at limits equal to the lesser of the following: (1) property value; or (2) the maximum value allowed by the state in which the Store is located. All deductibles must be approved by HBH and are subject to locality and market conditions.

(b) Commercial General Liability insurance with a minimum limit of one million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Damage Liability with a general aggregate limit of two million dollars (\$2,000,000) (including, but not limited to, premises liability, products liability, completed operations liability, personal injury liability, advertising injury liability, blanket contractual liability, and medical payments) on a following from basis.

(c) Business Income insurance equal to twelve (12) months revenue on an "actual loss sustained" basis.

(d) Umbrella Liability policy with a minimum limit of one million dollars (\$1,000,000) (including, but not limited to, premises liability, products liability, completed operations liability, personal injury liability, advertising injury liability, broad form contractual liability, and medical payments).

(e) Automobile Liability insurance with a minimum limit of one million dollars (\$1,000,000) on a symbol 1 basis covering any owned automobile (including owned, hired and non-owned vehicle coverage).

(f) Workers' Compensation insurance (in Franchisee's name) as required by applicable law, including employer's liability with a minimum limit of five hundred thousand dollars (\$500,000) for each person for disease, five hundred thousand dollars (\$500,000) for each person by accident and five hundred thousand dollars (\$500,000) for each accident maximum. If the minimum attachment point for the umbrella liability policy is a limit greater than five hundred thousand dollars (\$500,000), then the employer's liability limit must meet the umbrella requirement. If no such law exists, then Franchisee must obtain such worker's compensation insurance as required by HBH.

(g) Cyber Liability insurance with a minimum limit of one million dollars (\$1,000,000) to include coverage for business interruption loss, cyber extortion, data recovery costs and data and network liability.

(h) All insurance policies must be issued by an insurance company or carrier rated A-VIII or better by A.M. Best & Company, Inc. or by another rating company designated by HBH. All liability insurance policies must name HBH, Licensor and any of their subsidiaries and affiliates which HBH designates, as named additional insureds entitled to the coverage afforded to all named insureds and the insurance coverage must be provided on a primary, noncontributory basis, without regard to any other insurance or self-insured program which HBH, Licensor, or its designated subsidiaries or affiliates may have in effect. All liability insurance policies must also provide that HBH shall receive thirty (30) days prior written notice of any termination, expiration, cancellation, modification or reduction in coverage or limits of any such policy. All insurance policies must include a waiver of subrogation in favor of HBH, Licensor and any of their subsidiaries and affiliates which HBH designates. HBH may increase the minimum liability limit protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in litigation or other relevant changes in circumstances. Franchisee must submit to HBH annually a copy of the certificate of insurance or such insurance policies. If at any time Franchisee fails or refuses to maintain in effect any insurance coverage required by HBH, or to furnish satisfactory evidence of such insurance, HBH may, at its option and in addition to other rights and remedies HBH may have, obtain insurance coverage on Franchisee's behalf and Franchisee agrees to promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to HBH on demand any cost and premiums incurred. Franchisee's obligation to obtain and maintain the insurance shall not be limited in any way by reason of any insurance maintained by HBH.

## 15. TAXES

Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement including, but not limited to, if applicable, state employment tax, state sales tax (including any sales or use tax on equipment purchased or leased) and all other taxes and expenses of operating the Store. In the event of any bona fide dispute as to the liability for the taxes assessed against Franchisee, Franchisee may contest the validity or the amount of the tax in accordance with procedures of the appropriate taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant to occur against the Store premises or equipment.

## 16. DEFAULT; TERMINATION

**16.1 Termination By HBH.** HBH shall have the right to terminate this Agreement upon delivery of written notice of termination to Franchisee, if:

**(a)** Franchisee or any of Franchisee's owners has made any material misrepresentation on Franchisee's application for the franchise;

**(b)** Franchisee or its principals or affiliates are in material default under any other agreement with HBH or its affiliates, including without limitation any financing agreement or franchise agreement, but excluding any default for failure to meet the deadlines set forth in the development schedule for an HBH Store other than the Store under the Area Development Agreement with HBH;

**(c)** Franchisee or any owner of twenty five percent (25%) or more of the outstanding voting capital stock or other ownership interest in Franchisee is adjudged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, or is unable to pay his debts as they become due; or a petition under any bankruptcy law is filed against Franchisee or any owner of twenty five percent (25%) or more of the outstanding voting capital stock or other ownership interest in Franchisee or a receiver or other custodian is appointed for a substantial part of the assets of the Store;

**(d)** Franchisee fails to open the Store and commence operations within the time period specified in Section 5.5 or Franchisee fails to maintain possession of the Store premises and fails to secure suitable alternative premises approved by HBH;

**(e)** Franchisee abandons or fails to continuously and actively operate the Store;

**(f)** The lease or sublease for the Store is terminated or canceled or Franchisee is unable to renew or extend the lease or sublease or Franchisee fails to maintain possession of the Store premises unless Franchisee is permitted to relocate the Store under Section 10.11 of this Agreement;

**(g)** Franchisee or any of Franchisee's owners is convicted of a felony or a crime which substantially impairs the goodwill associated with the Marks, or Franchisee or any of Franchisee's owners engages in any conduct which, in HBH's judgment, adversely affects the reputation of the Store or the goodwill associated with the Marks;

**(h)** Franchisee intentionally underreports the net sales of the Store for any period or periods;

**(i)** Franchisee or any of Franchisee's owners violates any of the restrictions contained in Sections 18 or 20 of this Agreement;

**(j)** An audit by HBH discloses an understatement of net sales and Franchisee fails to pay to HBH the applicable royalty fee and advertising contribution and interest due within ten (10) calendar days after receipt of the final audit report;

**(k)** The interest of a deceased or permanently disabled person is not disposed of in accordance with the terms of this Agreement;

**(l)** Franchisee fails to obtain or maintain insurance required by HBH and Franchisee does not correct this failure within forty-eight (48) hours after written notice is delivered to Franchisee; provided, however, that HBH shall not exercise its right to terminate this Agreement if Franchisee immediately ceases operating the Store and obtains all such insurance within ten (10) days after written notice is delivered to Franchisee;

**(m)** Franchisee fails to comply with any provision of this Agreement or any specification, standard or operating procedure, rule, standard or requirement prescribed by HBH which

relates to or concerns in any way the use of any Mark, inventory levels, product quality, menu compliance or customer service in connection with the operation of the Store, including without limitation, the failure to comply with any such procedure, rule, standard or requirement set forth in the FOM, and Franchisee does not correct this failure within seven (7) calendar days after written notice is delivered to Franchisee;

(n) Franchisee fails to pay when due any amount owed to HBH, its affiliates or subsidiaries and Franchisee does not correct such failure within ten (10) calendar days after written notice is delivered to Franchisee;

(o) Franchisee fails to pay when due any amount owed to any creditor or supplier of the Store or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Franchisee does not correct such failure within ten (10) calendar days after written notice is delivered to Franchisee;

(p) Franchisee receives a score of less than eighty-five percent (85%) on any Food Safety/Store Cleanliness Evaluation Form or on any Quality Assurance (“QA”) (or any successor report), or fails to meet the then-current standard as of the date of the QA for the operation of the Store, and does not take all actions deemed necessary by HBH to meet such then-current standards within ten (10) calendar days after written notice is delivered to Franchisee;

(q) Franchisee or any of Franchisee’s owners fails on three (3) or more separate occasions during any one (1) year period to comply with any one or more provisions of this Agreement, or Franchisee’s obligation to submit when due, sales reports or financial statements, to pay when due the royalty fees, advertising contributions or other payments to HBH or its affiliates or subsidiaries or any other creditors or suppliers of the Store, whether or not such failure to comply is subject to a right to cure or is corrected after notice is delivered to Franchisee;

(r) Franchisee fails to comply with any provision of this Agreement or any specification, standard or operating procedure, rule, standard or requirement prescribed by HBH which relates to or concerns in any way the quality of any food product or any beverage sold by Franchisee, the cleanliness and sanitation of the Store or quality controls regarding the sale of any food or beverage product which, in HBH’s opinion, poses an imminent threat to public health or safety; or

(s) Franchisee or any of Franchisee’s owners fails to comply with any other provision of this Agreement or any specification, standard or operating procedure and fails to correct this failure within thirty (30) calendar days after written notice is delivered to Franchisee.

**16.2 Obligations Upon Termination or Expiration.** Upon termination or expiration of this Agreement, for whatever reason, with or without cause by HBH or Franchisee, Franchisee agrees to:

(a) immediately return to HBH all copies of the FOM and cease use of and deliver to HBH all trade secrets, Licensed Materials and Confidential Information (as defined in Section 18.4) and other confidential HBH materials, documents, know-how and information;

(b) take such action as may be required to cancel all assumed name or equivalent registrations relating to the use of any Mark;

(c) notify the telephone company and all listing agencies of the termination or expiration of Franchisee’s right to use all telephone numbers and all classified and other directory listings relating to the Store and to authorize transfer of these to HBH or its franchisee or designee. Franchisee acknowledges that HBH has the sole rights to and interest in all telephone numbers and directory listings

related to any Mark, and Franchisee authorizes HBH to direct the telephone company and all listing agencies to transfer all telephone numbers and directory listings to HBH, its franchisee or designee and if Franchisee fails or refuses to do so, the telephone company and all listing agencies may accept HBH's direction as evidence of its exclusive rights in the telephone numbers and directory listings and its authority to direct the transfer;

(d) immediately pay all royalty fees, advertising contributions and other amounts which are due and owing under this Agreement or any other agreement between Franchisee and HBH or any of its affiliates;

(e) immediately cease identifying Franchisee or the Store as an HBH franchisee or store or as being associated with the HoneyBaked System and immediately cease use of any of HBH's and Licensor's Marks, trade secrets, trade dress, signs, symbols, recipes, formulas, food mixes or other materials, withdraw all advertising matter (including electronic marketing), and cease all use of all distinctive forms, devices, websites, domain names, e-mail addresses, social media and other electronic identifiers, and telephone numbers associated with the HoneyBaked System;

(f) if Franchisee has used the Marks in connection with any website, the internet, or any electronic identifier, whether or not authorized by HBH, at HBH's option, cancel or assign to HBH, or its designee, all of Franchisee's rights, title and interest in any websites, electronic identifiers or registrations that contain or previously contained any Mark and notify any applicable domain name registrar and all listing agencies of the termination of Franchisee's right to use any electronic identifier associated with the HoneyBaked System, the Marks or the Store, and authorize and instruct their cancellation or transfer to HBH, as directed by HBH, for which Franchisee is not entitled to any compensation from HBH if HBH exercises these rights or options;

(g) if Franchisee retains possession of the Store premises, at Franchisee's expense, make such reasonable modifications to the exterior and interior decor of the Store as HBH requires to eliminate its identification as an HBH Store and if Franchisee fails to promptly make these modifications, HBH will have the right (at Franchisee's expense, to be paid upon receipt of an invoice from HBH) to do so without being guilty of trespass or other tort; and

(h) immediately make the Store accessible and available for HBH to operate pursuant to Section 17.5 of this Agreement, if HBH elects to do so.

**16.3 Actions to Cure Default.** If Franchisee shall fail to operate the Store in accordance with the FOM or other confidential material; shall fail to use food products, ingredients and methods of operation which conform to the specifications and standards of HBH; shall sell products not approved by HBH; shall fail in any other way to maintain HBH's standards of quality, appearance and service in the operation of the Store; shall permit a threat or danger to public health or safety to exist in connection with the construction, maintenance or operation of the Store; shall violate any law or fail to pay any taxes when due; or shall commit any breach hereof which may cause substantial damage to HBH or may materially endanger or impair the Marks, the HoneyBaked System, the goodwill associated therewith, or HBH's and/or Licensor's ownership thereof, then after written notice to Franchisee and failure by Franchisee to cure within fifteen (15) days, or with respect to a threat or danger to public health or safety, after written or oral notice, within one day or less, HBH shall have the right (but not the obligation), at its sole discretion, without prejudice to any other right or remedy contained in this Agreement or provided by law or equity (including any right of termination), to take such actions as HBH deems necessary to cure the default, including without limitation, to close the Store. The reasonable costs of all such actions shall be at the sole expense of Franchisee. Franchisee shall reimburse HBH for all such costs promptly upon demand therefore.

The rights set forth in this Section 16.4 are in addition to any other rights and remedies HBH may have pursuant to this Agreement, at law or in equity.

**16.4 Additional Post-Termination Obligations.** The termination or expiration of this Agreement, for whatever reason, shall in no way impair or affect Franchisee's continuing obligation to pay any and all amounts owing by Franchisee hereunder at the time such amounts are or become due, nor the continuing validity of Franchisee's obligations under Sections 9.1, 9.3, 14.2, 16.3, 17 or 18, or any other obligations of Franchisee hereunder which by their terms continue after the term or termination hereof. Nor shall any termination or expiration hereof impair any liability of Franchisee to HBH and its affiliates, for damages or otherwise, suffered by HBH or such affiliates as a result of Franchisee's breach, including damages for lost profits as a result of lost future franchise fees and royalties. All such obligations and liabilities shall continue until satisfied.

#### **16.5 Early Termination Damages**

(a) If Franchisee defaults on its obligations and HBH terminates this Agreement prior to the expiration of the Initial Term or any Renewal Term of this Agreement, it is hereby agreed by Franchisee and HBH that the amount of damages which HBH would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, Franchisee and its owners shall pay to HBH an amount equal to the average monthly Royalty Fees that Franchisee owed for the past twenty-four (24) months multiplied by the lesser of twenty-four (24) months or the number of months remaining in the term of this Agreement. If Franchisee has not operated the Store for twenty-four (24) months, the early termination damages will be calculated by using the average monthly Royalty Fees owed by Franchisee for the number of months that the Store has been in operation. These early termination damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of Franchisee and its owners.

(b) Franchisee and HBH acknowledge and agree that: (1) the early termination damages are a reasonable estimation of the damages that would be incurred by HBH resulting from or arising out of the premature termination of this Agreement; and (2) Franchisee's payment of such early termination damages is intended to fully compensate HBH only for any and all damages related to or arising out of the premature termination of this Agreement by HBH, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of HBH's claim for other damages and/or equitable relief arising out of Franchisee's breach of this Agreement. The imposition of early termination damages shall be at HBH's option. HBH is not required to impose early termination damages and may, in addition or in lieu thereof, pursue other remedies available to HBH under the terms and conditions of this Agreement, in equity or at law in the event of Franchisee's default under this Agreement, including, without limitation, actual damages incurred by HBH, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

### **17. OPTION TO PURCHASE STORE**

**17.1 Option.** HBH shall have the right (but not the duty), to be exercised by notice of intent to do so within sixty (60) days after termination or expiration of this Agreement, to purchase any and all improvements, equipment, advertising and promotional materials, ingredients, products, materials, supplies, paper goods and any items bearing the Marks at current fair market value. If the parties cannot agree on a fair market value within a reasonable time, such determination shall be made by three (3) appraisers knowledgeable and reputable in valuating retail store business operations, one of which shall be chosen by HBH and one by Franchisee, and the third of which shall be mutually agreed upon by HBH and Franchisee. If the parties are unable to agree upon a third appraiser, the two (2) appraisers chosen by HBH and Franchisee shall appoint the third appraiser.

**17.2 Real Property.** HBH's option to purchase hereunder may also include, at HBH's sole option and discretion, any real property owned by Franchisee that is used in the operation of the franchise hereunder. If HBH elects to purchase the real property, the fair market value of the real property shall be included in the determination of the "current fair market value" in Section 17.1. If the Designated Location hereunder is leased to Franchisee, Franchisee shall, upon termination of this Agreement and upon request by HBH, immediately assign and transfer to HBH the lease and premises, including improvements thereon. HBH shall be indemnified for any past due amounts under such lease.

**17.3 Closing.** The closing shall occur within thirty (30) days after HBH exercises its option to purchase the real property and/or the assets or such later date as may be necessary to comply with applicable bulk sales or similar laws. At the closing, Franchisee shall execute such documents as HBH may reasonably require to effectuate the termination of the franchise and Franchisee's rights to use the Marks and HoneyBaked System. HBH shall have the right to set-off all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any, against any payment therefore.

**17.4 Remedies.** Franchisee shall pay to HBH all damages, costs, and expenses, including without limitation reasonable attorneys' fees, incurred by HBH in seeking recovery of damages caused by any action of Franchisee in violation of, or in obtaining injunctive relief for the enforcement of, any portion of this Section 17. Further, Franchisee acknowledges and agrees that any failure to comply with the provisions of this Section 17 shall result in irreparable injury to HBH.

## **18. RESTRICTIVE COVENANTS**

**18.1 In-Term Covenant.** Except as otherwise approved by HBH in writing, during the term of this Agreement, Franchisee and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto agree that Franchisee and such persons will not, directly or indirectly for the benefit of Franchisee or Franchisee's owners, or through or on behalf of or in conjunction with any other person or entity, engage in (a) any other business involved in the preparation or sale of whole or part hams or turkeys within the United States, or (b) any business that serves sandwiches, soups or salads within the United States. Nothing herein shall restrict Franchisee and Franchisee's owners' involvement with other HBH Stores operated under agreements with HBH.

**18.2 Post-Term Covenant.** Except as otherwise approved by HBH in writing, for a period of two (2) years after expiration or any earlier termination of this Agreement, Franchisee and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto agree that Franchisee and such persons will not, directly or indirectly for the benefit of Franchisee or Franchisee's owners, or through or on behalf of or in conjunction with any other person or entity, engage in (a) any other business involved in the preparation or sale of whole or part hams or turkeys within fifteen (15) miles of the Protected Territory, or (b) any business that serves sandwiches, soups or salads within fifteen (15) miles of the Protected Territory. Nothing herein shall restrict Franchisee and Franchisee's owner's involvement with other HBH Stores operated under agreements with HBH. The covenant contained in this paragraph shall not be deemed to impair, modify or change any covenant not to compete contained in any agreement for the purchase and sale of the Store.

**18.3 Ownership of Public Companies.** The covenants contained in Section 18.2 shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation whose stock is publicly traded.

**18.4 Trade Secrets and Confidential Information.** Franchisee and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto expressly covenant and agree that:

(a) in connection with the operation of HBH Stores and the HoneyBaked System, HBH, Licensor and their affiliates have developed at great expense competitively sensitive trade secrets (including, without limitation, the Licensed Materials) and confidential information which are not commonly known by or available to the public, and that for purposes of this Agreement, “trade secrets” means information as defined in O.C.G.A. § 10-1-761(4), and “Confidential Information” means any and all information and documentation, without regard to form, other than trade secrets, which relates to the operation of HBH Stores or the HoneyBaked System and which is confidential and proprietary to HBH, Licensor and/or their affiliates; provided, however, that trade secrets and Confidential Information do not include any information that (1) is commonly known by or available to the public, (2) has been voluntarily disclosed to the public by HBH, Licensor and/or their affiliates, (3) has been independently developed without reliance on trade secrets or Confidential Information, or (4) has otherwise entered the public domain through lawful means;

(b) for purposes of this Agreement, trade secrets and Confidential Information may include, but not be limited to, information (in whatever form) relating to or regarding the Marks, the FOM, other proprietary matters pertaining to the HoneyBaked System, and other proprietary information regarding the operation of HBH Stores which HBH has designated as “confidential”; and

(c) during the term of this Agreement and (1) regarding Confidential Information, for a period of five (5) years after termination of this Agreement for any reason whatsoever, and (2) regarding trade secrets, for so long as such information remains a trade secret, Franchisee and the persons, if any, who have executed the Covenant and Guaranty of Owners attached hereto will not, except only as required for the benefit of HBH in carrying out Franchisee’s duties pursuant to this Agreement, without the prior express written consent of HBH, directly or indirectly, divulge, disclose, convey or publish to any person or entity, or reproduce, use or apply for Franchisee’s own benefit, or the benefit of another or others, in any way, any trade secrets or Confidential Information. Franchisee also agrees that it and all of its employees and agents will observe all security measures implemented by HBH to protect its trade secrets and Confidential Information. Upon the request of HBH and, in any event, upon the termination or expiration of this Agreement, Franchisee will immediately return any and all copies or other reproductions of trade secrets or Confidential Information to HBH.

**18.5 Employee Confidentiality Agreements.** Franchisee shall cause each person who is actively involved in the management or operation of the business of Franchisee pursuant to this Agreement or the operation of the Store, at the time of his employment, to enter into a “Confidentiality Agreement” in a form prescribed from time to time by HBH. Franchisee shall use its best efforts to prevent any such persons from violating the provisions of such Confidentiality Agreement and from using, in connection with the operation of any store or similar business wherever located, the HoneyBaked System or any of the Marks or from operating any store which looks like, copies or imitates any HBH Store or operates in a manner tending to have such effect. If Franchisee has reason to believe that any such person has violated the provisions of the Confidentiality Agreement described in this paragraph, Franchisee shall notify HBH and shall cooperate with HBH to protect HBH against infringement or other unlawful use of the Marks or the HoneyBaked System, including, but not limited to, the prosecution of any lawsuits if, in the judgment of HBH, such action is necessary or advisable.

**18.6 Owners of Entity Franchisee.** If Franchisee is a corporation, partnership or LLC, the owners of Franchisee, by executing the Covenant and Guaranty of Owners, shall be bound by the provisions contained in this Agreement, including the restrictions set forth in this Section 18. Further, a violation of any of the provisions of this Agreement, including the covenants contained in this Section 18, by any owner shall also constitute a violation by Franchisee of Franchisee’s obligations under this Agreement.

**18.7 Severability, Modification, Independent Construction and Survival.** Franchisee acknowledges and agrees that each of the covenants in this Section 18 are separate, distinct and severable from every other covenant, and in the event of the unenforceability (for any reason) of all or any part of any covenant, the remaining covenants shall remain enforceable. In the event of the unenforceability (for any reason) of all or any part of any covenant, each such covenant shall be modified to include only that portion which is enforceable, and the parties specifically request that the court (or other applicable forum) modify any such covenant so that it shall be enforceable as modified so as to provide the greatest protection allowed by law to HBH; Franchisee represents, acknowledges and agrees that the covenants are not made in connection with any employment relationship. Additionally, each of the covenants shall be construed as an agreement independent of any other provision in this Agreement, and no claim or cause of action Franchisee may have against HBH shall constitute a defense to HBH's enforcement of any of such covenants. The covenants set forth in this Agreement shall expressly survive termination of this Agreement for any reason whatsoever.

## **19. ORGANIZATION OF FRANCHISEE**

### **19.1 Representations.**

(a) If Franchisee is a legal entity such as a corporation, LLC or partnership, Franchisee makes the following representations and warranties: (1) it is duly organized and validly existing under the laws of the state of its formation; (2) it is qualified to do business in the state or states in which the Store is located; (3) execution of this Agreement and the development and operation of the Store is permitted by its governing documents; and (4) unless waived in writing by HBH, Franchisee's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that the activities of Franchisee are limited exclusively to the development and operation of HBH Stores.

(b) If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer for convenience of ownership, pursuant to Section 20.3, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

(c) Franchisee and its owners represent and warrant to HBH neither Franchisee nor its owners (1) have been designated as suspected terrorists under U.S. Executive Order 13244; (2) are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; (3) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13244, the Foreign Corrupt Practices Act, or any similar law.

**19.2 Governing Documents.** If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to HBH. If Franchisee is a LLC, copies of Franchisee's Articles of Organization, Management Agreement, other governing documents and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to HBH. If Franchisee is a partnership, copies of Franchisee's written partnership agreement, other governing

documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to HBH, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by Franchisee's written partnership agreement. The organizational documents of any partnership, corporation or LLC owning the franchise, including all stock certificates, shall recite that they are subject to all restrictions contained in this Agreement. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to HBH.

**19.3 Ownership Interests.** If Franchisee is a corporation, a LLC or a partnership, all interests in Franchisee are owned as set forth in attached Exhibit A. In addition, if Franchisee is a corporation, Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of securities of the corporation (and the number of shares owned by each). If Franchisee is a LLC, Franchisee shall maintain a current list of all members (and the percentage membership interest of each member). If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Franchisee shall comply with Section 20 prior to any change in ownership interests and shall execute addenda to Exhibit A as changes occur in order to ensure the information contained in Exhibit A is true, accurate and complete at all times.

**19.4 Covenant and Guaranty of Owners.** Each present and future owner of a ten percent (10%) or greater equity interest in Franchisee including: (1) shareholders of a corporate Franchisee; (2) members of a LLC Franchisee; (3) partners of a partnership Franchisee; or (4) partners of a limited liability partnership Franchisee; shall jointly and severally guarantee Franchisee's performance of each and every provision of this Agreement by executing the Covenant and Guaranty of Owners in the form attached to this Agreement. In addition, HBH may require that the spouse (or domestic partner or other immediate family member) of a guarantor sign the Covenant and Guaranty of Owners.

## **20. ASSIGNMENT/TRANSFER**

**20.1 By HBH.** This Agreement is fully assignable by HBH, and the assignee or other legal successor to HBH's interests will be entitled to all of the benefits of this Agreement. If HBH assigns its rights in this Agreement, nothing herein shall be deemed to require HBH to remain in the business of selling sliced and glazed hams, turkeys and related products, or to sell or offer to sell any products or services to Franchisee. Franchisee agrees that HBH has the right, now or in the future, to purchase, merge, acquire or affiliate with any existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "HoneyBaked" stores or businesses operating under the Marks or any other marks following HBH's purchase, merger, acquisition or affiliation. Franchisee further agrees and affirms that HBH may sell itself, its assets, its Marks and/or its HoneyBaked System to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leverage buy-out or other economic or financial restructuring.

**20.2 By Franchisee.** This Agreement has been entered into by HBH based in part on the experience, integrity and financial stability of Franchisee and/or Franchisee's owners (if Franchisee is a corporation, partnership or LLC). Accordingly, neither Franchisee nor any of Franchisee's owners may sell, assign or transfer this Agreement, any interest in this Agreement or, if Franchisee is a corporation, partnership or LLC, any interest in the corporation, partnership or LLC without HBH's prior written consent, except as specifically authorized under this Agreement. A transfer of ownership of the Store (or its assets) may only be made in conjunction with a transfer of this Agreement. Any attempted assignment or transfer not in accordance with this Agreement shall have no effect and shall constitute a breach of this Agreement.

### **20.3 Assignment to Corporation, Partnership or LLC.**

(a) If Franchisee is an individual or group of individuals who desire to assign this Agreement and the Store (and its assets) to a corporation, partnership or LLC formed for convenience of ownership, Franchisee shall advise HBH in writing of the proposed assignment and shall provide HBH with all documents to be executed in connection with any such assignment and all other information requested by HBH relating to the proposed assignment. HBH shall not unreasonably withhold its consent to the assignment provided all of the following conditions are met:

(1) the corporation, partnership or LLC conducts no business other than the operation of one or more Stores (or other related activities authorized under this Agreement);

(2) at least fifty-one percent (51%) of each voting class of the shares, interests or units of the corporation, partnership or LLC is owned by the individual or individuals who signed this Agreement and their respective spouses and at least fifty-one percent (51%) of all classes of shares, interests or units of the corporation, partnership or LLC are owned by the individual or individuals who signed this Agreement and their respective spouses;

(3) the Stores are actively managed by such successor; and

(4) all shareholders, partners or members of such successor are acceptable to HBH, meet HBH's requirements as established from time to time and all owners of a ten percent (10%) or greater equity interest in the successor entity agree to guarantee the obligations of the corporation, partnership or LLC under this Agreement and to be bound by the terms of this Agreement in the manner prescribed by HBH.

(b) HBH shall use its reasonable efforts to approve or disapprove the assignment within thirty (30) days after receipt. If HBH approves the assignment, Franchisee must comply with the requirements set forth in Section 19 of this Agreement. HBH shall also have the right to require, as a condition of its approval that the shareholders, partners or members enter into a buy/sell agreement among themselves in a form and containing such terms as HBH prescribes for transfers of ownership interests in such corporation, partnership or LLC. HBH reserves the right to assess a transfer fee against Franchisee sufficient to cover HBH's reasonable costs in effecting the transfer.

**20.4 Assignment or Transfer to Others.** Franchisee shall (i) notify HBH in writing at least sixty (60) days before any proposed sale, assignment or transfer of this Agreement or, if Franchisee is a corporation, partnership or LLC, any interest in the corporation, partnership or LLC ("Transfer Notice"); (ii) pay the transfer fee described below in subsection 20.4(i); and (iii) provide all information and documentation relating to the proposed transfer that HBH reasonably requests. If HBH does not exercise its right of first refusal provided in Section 20.6, the decision as to whether or not to approve the proposed sale, assignment or transfer shall be made by HBH in its sole discretion and shall include numerous factors deemed relevant by HBH. These factors may include, but will not be limited to, the following:

(a) Franchisee (and Franchisee's owners if it is a corporation, partnership or LLC) is not in default under this Agreement, the Area Development Agreement or any other agreement with HBH or HBH's subsidiaries or affiliates or any other creditor or supplier of the Store;

(b) the proposed transferee (and its owners if it is a corporation, partnership or LLC) is acceptable to HBH and meets HBH's then-applicable standards for franchisees or owners;

(c) the proposed transferee has signed HBH's then-current form of standard Franchise Agreement for a term equal to the remaining term of this Agreement or, at HBH's election, the then-standard initial term, if longer, and has assumed all of Franchisee's obligations under any other agreement between Franchisee and HBH, Licensor or their affiliates, and has agreed to honor all gift certificates and gift cards issued by Franchisee;

(d) if the proposed transferee is a corporation, partnership or LLC all owners of a ten percent (10%) or greater equity interest in the proposed transferee agree to guarantee the obligations of the corporation, partnership or LLC under the Franchise Agreement and to be bound by the terms of the Franchise Agreement in the manner prescribed by HBH;

(e) the proposed transferee (and all persons designated by HBH) completes all required training to the extent required by HBH, at their own expense;

(f) at HBH's request, the proposed transferee or assignee refurbishes the Store in the manner and subject to the provisions prescribed in Section 6;

(g) Franchisee (and its owners if it is a corporation, partnership or LLC) enters into a Nondisclosure and Noncompetition Agreement with HBH, in a form satisfactory to HBH, unless otherwise approved by HBH in writing;

(h) Franchisee (and Franchisee's owners if it is a corporation, partnership or LLC) executes a general release, in a form satisfactory to HBH, of any and all claims it may have against HBH (including any affiliated companies) and their officers, directors, shareholders, managers, members and employees, in their corporate and individual capacities; and

(i) Franchisee pays to HBH a transfer fee of ten thousand dollars (\$10,000) simultaneously with the submission of the Transfer Notice. HBH shall refund the transfer fee to Franchisee if HBH rejects the transfer request.

(j) Franchisee must provide HBH with all documents to be executed by Franchisee and/or Franchisee's owners and the proposed purchasers in connection with any transfer at least thirty (30) days prior to signing.

(k) The provisions of (c), (e), (f) and (i) above shall not apply to an approved sale, transfer or assignment by one or more shareholders, partners or members owning in the aggregate less than a forty-nine percent (49%) interest in the corporation, partnership or LLC, provided that such transaction, when combined with any and all prior such sales, transfers and assignments, does not constitute a sale, transfer or assignment of a forty-nine percent (49%) or more interest or does not otherwise result in a change of control. Notwithstanding the foregoing, HBH reserves the right to assess a transfer fee against Franchisee sufficient to cover HBH's reasonable costs in effecting the transfer.

## **20.5 Death or Disability.**

(a) Upon Franchisee's death or Disability, this Agreement or the ownership interest of any deceased or disabled controlling shareholder, partner or member of Franchisee must be transferred to a party approved by HBH. Any transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers set forth in Section 20.4. HBH shall not unreasonably withhold its consent to the transfer of this Agreement or any ownership interest to the deceased or disabled Franchisee's spouse, heirs or members of his or her immediate family or the spouse, subject to the requirements of Section 20.4 with the exception of subsection (h).

(b) Except as otherwise prescribed by HBH in writing, Franchisee's personal representative shall submit to HBH a proposal meeting the requirements for transfer of this Agreement or ownership interest within one hundred eighty (180) days after Franchisee's death or Disability.

(c) HBH agrees to communicate its approval or disapproval of such proposal within thirty (30) days of receipt of the same. Within sixty (60) days after the date of receipt of HBH's approval, Franchisee's personal representative shall complete the transfer of this Agreement or the ownership interest of any deceased or disabled controlling shareholder, partner or member. Franchisee or any of Franchisee's owners' failure to transfer the interest in accordance with the provisions of this Section 20.5 shall be considered a material breach of this Agreement.

(d) A "Disability" shall have occurred with respect to Franchisee if Franchisee, or, if Franchisee is a corporation, partnership or LLC, its controlling shareholder, partner or member, is unable to actively participate in the Franchise for any reason for a continuous period of six (6) months. As used in this Section 20.5, "Franchisee" may include a disabled or deceased controlling shareholder, partner or member where the context so requires. Upon the death of any non-controlling shareholder, partner or member, such shareholder, partner or member's interest shall be transferred within a reasonable time to a person meeting HBH's requirements. All such transfers must also comply with Section 20.4 of this Agreement, subject to the exceptions set forth in the last paragraph thereof. Franchisee's or any of Franchisee's owners' failure to transfer the interest in accordance with the provisions of this Section 20.5 shall be considered a material breach of this Agreement.

**20.6 Right of First Refusal of HBH.** If Franchisee proposes to sell the Store (or its assets) and Franchisee or Franchisee's owners obtain and desire to accept a bona fide, executed written offer to purchase the Store (or its assets), Franchisee or Franchisee's owners are obligated to deliver a copy of the bona fide offer to HBH and shall make an identical offer to HBH. HBH will, for a period of sixty (60) days from the date of delivery of such offer to HBH, have the right, exercisable by written notice to Franchisee or Franchisee's owners, to purchase the Store (or its assets) for the price and on the terms and conditions contained in the offer. HBH may substitute equivalent cash for any form of payment proposed in such offer or designate a substitute purchaser for the Store (or the assets) being offered, provided that HBH will assume responsibility for the performance of any other purchaser HBH may designate. If HBH does not exercise this right of first refusal, the offer may be accepted by Franchisee subject to HBH's prior written approval of the transferee as provided in this Agreement. If the sale pursuant to the offer is not consummated within ninety (90) days, HBH will again have the right of first refusal to purchase the Store as described above. This Section 20.6 will not apply to transfers made in accordance with Section 20.3 of this Agreement.

**20.7 Public Offering by Franchisee.** No securities of Franchisee shall be publicly traded without the prior written consent of HBH and Licensor, which consent may be arbitrarily withheld in Licensor's or HBH's discretion. If Licensor and HBH approve a public offering of Franchisee's securities, Franchisee shall present the disclosure document or prospectus to Licensor and HBH for review within a reasonable time before the effective date of the public offering. In no event shall Franchisee offer, sell or otherwise distribute its securities by use of the name "Honey Baked Ham" or any name similar thereto; however, Franchisee may make appropriate reference to the fact that Franchisee has entered into the Area Development Agreement and one or more Franchise Agreement(s) with HBH.

## **21. CONTRACT INTERPRETATION AND ENFORCEMENT**

**21.1 Survival of Representations.** All statements herein or in any certificate, agreement, instrument or other document delivered by or on behalf of any party pursuant hereto or in connection with the transactions contemplated hereby constitute representations, warranties, stipulations, covenants and

agreements made by such party and shall survive the execution of this Agreement and the consummation of the transactions contemplated hereby.

**21.2 Waiver.** Failure of either party to insist, in one or more instances, on performance by the other of any duty or obligation hereunder in strict accordance with this Agreement shall not be deemed a waiver or relinquishment of any right granted hereunder or of the future performance of such duty or obligation, or any other, in strict accordance with this Agreement, unless such waiver or relinquishment is in a writing signed by or on behalf of both parties.

**21.3 Construction and Severability.** All references in this Agreement to the singular shall include the plural where applicable, and all references to the masculine shall include the feminine and vice-versa. If any part of this Agreement for any reason shall be declared invalid, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by such law or rule shall be substituted for the requirements of this Agreement.

**21.4 Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous, oral or written, agreements or understandings of the parties regarding the subject matter of this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party to enforce any claim or right under this Agreement, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. No amendment, change or variance from this Agreement shall be binding upon either party except by mutual written agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representations HBH made in the Franchise Disclosure Document that HBH provided to Franchisee.

**21.5 Costs of Modification and Enforcement.** Franchisee shall reimburse HBH for all costs and expenses (including without limitation attorney's fees) HBH incurs in connection with any modification or supplementation of this Agreement or any waiver or consent granted by HBH hereunder, except where a modification or supplement results from an initiative by HBH. If either party institutes any legal or equitable action against the other party to secure or protect its rights under or to enforce the terms of this Agreement, in addition to any judgment entered in the prevailing party's favor, the prevailing party shall be entitled to recover such reasonable attorneys' fees and costs as the prevailing party may have incurred together with its costs and expenses of litigation.

**21.6 Governing Law.** This Agreement shall be deemed to have been made and entered into in the State of Georgia and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Georgia. If any provision of this Agreement would not be enforceable under the laws of the State of Georgia, and if the Store is located outside of Georgia and such provision would be enforceable under the laws of the state in which the Store is located, then such provision shall be interpreted and construed under the laws of that state.

**21.7 Choice of Forum.** Franchisee may bring an action only in the state court or federal court having jurisdiction where HBH's principal place of business is located at the time the action is brought. HBH may bring an action in the federal or state court having jurisdiction where HBH's principal place of business is located at the time suit is filed, in the jurisdiction where Franchisee resides or does business, where the Store is or was located, or where the claim arose. Franchisee submits and irrevocably consents to the exclusive jurisdiction of such courts and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to such jurisdiction or venue.

**21.8 Injunctive Relief.** Franchisee recognizes that failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, will cause irreparable harm to HBH, its affiliates and the HoneyBaked System which money damages cannot adequately remedy. Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, HBH shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by HBH shall be in addition to, and not in lieu of, all remedies and rights that HBH otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

**21.9 Limitation of Actions.** Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Franchisee) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

**21.10 Cumulative Remedies.** No remedy conferred upon HBH is intended to be exclusive of any other remedy, and each and every such remedy shall be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

**21.11 Waiver of Punitive Damages, Class Action Lawsuits and Jury Trial.** **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.**

**21.12 Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

**21.13 Headings.** The headings in this Agreement are for convenience of reference and are not a part of this Agreement and shall not affect the meaning or construction of any of its provisions.

**21.14 Inconsistent Terms; Additional Terms.** To the extent that the provisions of this Agreement are in direct conflict with the provisions of any Exhibit hereto, the provisions of such Exhibit shall control.

**21.15 Notices.** Any notice or other communication required or permitted hereunder shall be deemed sufficiently given if delivered, mailed (registered or certified mail, postage prepaid) or sent by overnight courier to the address specified on Exhibit A. Any party may change its mailing address by giving notice to the other party in the manner herein provided.

**21.16 Successors and Assigns; Licensor's Rights.** Except as otherwise provided herein, this Agreement is binding upon the parties and their heirs, approved assigns and successors in interest. The parties hereto agree that certain of the covenants and agreements set forth herein represent a benefit and value to Licensor, and agree that Licensor is a third-party beneficiary to this Agreement with respect to the rights of HBH and the obligations of Franchisee. In particular, and not in limitation of the foregoing, Licensor shall have the right to enforce the obligations, duties and covenants of Franchisee set forth herein if HBH fails or refuses to do so. Upon expiration of the License Agreement (as now or hereafter amended), between Licensor and HBH under which HBH has been granted the right to sell a franchise to Franchisee, all of HBH's right, title and interest in this Agreement shall immediately attach to and shall be automatically assigned, transferred and conveyed to Licensor. Franchisee acknowledges that the Marks and the HoneyBaked System are owned solely by Licensor.

**21.17 Time of Performance.** Time is of the essence with respect to the performance of this Agreement.

**IN WITNESS WHEREOF,** the parties hereto have duly executed this agreement, which is made effective as of the Effective Date noted below.

**FRANCHISEE:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**HBH:**

**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**EXHIBIT A**  
**TO FRANCHISE AGREEMENT**  
**FRANCHISE INFORMATION**

**Franchisee:**

**Initial Franchise Fee:**

*[Drafting Note to be deleted: \$20,000 – first Store; \$10,000 – subsequent Store; \$5,000 Seasonal Store]*

**Form of Ownership:** Franchisee is a \_\_\_\_\_ incorporated or formed on \_\_\_\_\_ in the state of \_\_\_\_\_.

**Owners.** The following table includes the full name of each person who is an owner of a legal or beneficial interest in Franchisee, and fully describes the nature of each owner’s interest (attach additional pages if necessary).

Name	Home Address	Percentage of Ownership Interest

***[If Franchisee consists of individuals, delete the Owners paragraph and table above and use the table below and delete this bracket. If Franchisee is an entity use the above table and delete the table below and delete this bracket.]***

**Franchisee Names and Home Addresses:**

Name	Home Address

**Franchisee’s Notice Address:**

\_\_\_\_\_

\_\_\_\_\_

**HBH’s Notice Address:**

General Counsel  
3875 Mansell Rd., Alpharetta, GA 30022-1532

**Designated Location:**

**Protected Territory** (if applicable):

## EXHIBIT B

### TO FRANCHISE AGREEMENT

#### COVENANT AND GUARANTY OF OWNERS

The undersigned individuals represent and warrant that they are shareholders, partners or members of \_\_\_\_\_ (“Franchisee”) or otherwise have a direct or indirect beneficial interest in the success of Franchisee. Accordingly, to induce The HBH Franchise Company, LLC (“HBH”) to enter into the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”) and grant the franchise to Franchisee, each of the undersigned individuals hereby jointly and severally guaranty the payment and performance by Franchisee of its obligations under the Agreement and under any leases of personal property and purchases of products by Franchisee from HBH or its affiliates, and hereby agrees that upon the non-payment or non-performance by Franchisee of any of the terms or conditions of such obligations, they will promptly perform and/or pay such obligations.

Each of the undersigned individuals further hereby jointly and severally agree to be bound by all of the provisions of the Agreement including, without limitation, the restrictions and covenants contained in Sections 17, 18, 19 and 20 of the Agreement. These obligations shall survive any expiration or termination of the Agreement or this Guaranty.

HBH, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period), (d) alter, amend or exchange any of the liabilities, or (e) give any other form of indulgence, whether under the Agreement or not. None of the foregoing shall release any of the undersigned from their obligations hereunder.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and HBH resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all costs and expenses paid or incurred by HBH in attempting to enforce the Agreement and this Guaranty against Franchisee and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys’ fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by HBH, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, primary and irrevocable.

This Guaranty does not terminate upon the death of any of the undersigned, but is binding upon the undersigned’s heirs, executors and legal representatives.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between HBH and the undersigned, must be commenced in the state or federal court of general jurisdiction in the district where

HBH's principal place of business is located at the time the action is brought and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts.

Nonetheless, each of the undersigned agrees that HBH may enforce this Guaranty and any orders and awards in the courts of the state or states in which a Guarantor is domiciled.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement. This Guaranty shall be interpreted and construed under the laws of the State of Georgia. In the event of any conflict of law, the laws of the State of Georgia shall prevail (without regard to, and without giving effect to, the application of Georgia conflict of law rules).

If more than one person has executed the Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint, several and primary.

WITNESS the signature of the undersigned as of the date indicated herein.

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

GUARANTOR:

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_

## EXHIBIT C

### TO FRANCHISE AGREEMENT

#### FORM OF ADDENDUM TO LEASE

**THIS ADDENDUM** is executed as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Landlord”), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, (“Lease”) for the premises located at \_\_\_\_\_, State of \_\_\_\_\_ (“Premises”) dated as of \_\_\_\_\_, \_\_\_\_.

Franchisee has entered into a Franchise Agreement (“Franchise Agreement”) with The HBH Franchise Company, LLC (“Franchisor”) for the development and operation of a HoneyBaked store at the Premises (“Store”), and as a requirement thereof, the Lease for the Premises must contain the provisions contained in this Addendum.

Landlord and Franchisee agree that the terms contained in this Addendum shall supersede any terms to the contrary set forth in the Lease.

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

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, for a period of at least thirty (30) days to cure any default of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title and interests thereunder.
2. Franchisee hereby assigns to Franchisor, with Landlord’s irrevocable and unconditional consent, all of Franchisee’s rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; (b) Franchisor at its option has exercised its Option to Purchase under the Franchise Agreement; and (c) Franchisor notifies Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the Lease.
3. The Lease may not be modified, amended, supplemented, renewed, extended, subleased, or assigned by Franchisee without Franchisor’s prior written consent.
4. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor at its option assumes the Lease in writing pursuant to Section 1 or Section 2, above.
5. If Franchisor assumes the Lease, as provided above, Franchisor may, without Landlord’s prior consent, further assign the Lease to a franchisee of Franchisor to operate a HoneyBaked store at the Premises provided that the following criteria are met: (a) Franchisor has an established franchising program for HoneyBaked stores; and (b) the proposed franchisee has met all of Franchisor’s applicable program criteria and requirements and has executed Franchisor’s standard franchise agreement. Landlord agrees to execute such further documentation to confirm its consent

to the assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease.

6. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as a HoneyBaked store. Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.
7. Landlord and Franchisee agree that if Landlord is an affiliate or an owner of Franchisee and Landlord proposes to sell the Premises, prior to the sale of the Premises, the Lease upon the request of Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Store is located.
8. Landlord agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "Confidential Information" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, menus, recipes, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of this Addendum, Franchisor will suffer irreparable damages and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
9. Landlord agrees that: (a) Franchisor has solely granted to Franchisee the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs and indicia of origin (collectively the "Marks") at the Premises under the terms of the Franchise Agreement; and (b) Franchisor has not granted any rights or privileges to Landlord to use the Marks at the Premises or anywhere else; and (c) Landlord's unauthorized use of the Marks during or after the term of the Lease shall cause irreparable harm to Franchisor and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
10. Landlord consents to Franchisee's use at the Premises of the Marks and such initial signage as Franchisor prescribes, subject to compliance with applicable laws and regulations.

11. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.
12. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at 3875 Mansell Rd<sup>7.2</sup>, Alpharetta, GA 30022-1532 (Attn: General Counsel), or such other address as Franchisor shall specify by written notice to Landlord.
13. Under the Franchise Agreement, any lease for the location of a HoneyBaked store is subject to Franchisor's approval with regards to the terms and conditions that affect Franchisor, and Franchisor expressly disclaims any other connotations either expressed or implied as to the other terms and conditions set forth in the Lease that are negotiated between Landlord and Franchisee. Accordingly, the Lease is contingent upon such approval, and Franchisor shall provide written notice to Landlord and Franchisee to evidence such approval, as applicable.

WITNESS the execution hereof under seal.

LANDLORD:

FRANCHISEE:

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

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

Subscribed and sworn to before me this \_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_.

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**EXHIBIT E**

**STATE SPECIFIC AGREEMENT AND  
DISCLOSURE DOCUMENT ADDENDA**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE  
REQUIRED BY THE STATE OF CALIFORNIA**

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

OUR WEBSITE, [WWW.HONEYBAKED.COM](http://WWW.HONEYBAKED.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

2. **Item 3, Additional Disclosure.** The following statement is added to Item 3:

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

3. **Item 6, Additional Disclosure.** The maximum rate of interest in California as of the issuance date of the FDD is 10% per annum.

4. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

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

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The franchise and development agreements provide for application of the laws of Georgia. This provision may not be enforceable under California law.

The franchise and development agreements contain a choice of forum provision. This provision may not be enforceable under California law.

The franchise and area development agreements contain a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release upon execution of the franchise agreements, if you transfer the rights granted under those agreements and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE  
REQUIRED BY THE STATE OF ILLINOIS**

1. **Risk Factors, State Cover Page.** The following statement is added at the end of the first risk factor on the State Cover Page:

**SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.**

The following statement is added at the end of the second risk factor on the State Cover Page:

**NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW SHALL GOVERN THE FRANCHISE AGREEMENTS.**

2. **Item 17, Additional Disclosures.** The following statement is added to Item 17:

Any provision in the Development Agreement or the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Development Agreement and the Franchise Agreement.

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

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES  
REQUIRED BY THE STATE OF MARYLAND**

**Item 17, Additional Disclosures.** The following statements are added to Item 17:

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against HBH, including upon execution of the Franchise Agreement, Area Development Agreement or a renewal franchise agreement or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

**Item 22, Additional Disclosure.** The following statements are added to Item 22:

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.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES  
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.**

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee 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 franchisee 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 THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding this Notice shall be directed to Michigan Attorney General's Office, Corporate Oversight Division, Franchise Section, 525 West Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, (517) 335-7567.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES  
REQUIRED BY THE STATE OF MINNESOTA**

1. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, HBH will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, 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 agreements.

1. **Choice of Forum and Law.** The following statement is added to the State Cover Page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit HBH from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits HBH from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. **Waiver of Right to Jury Trial and Consent to Liquidated Damages or Termination Penalties:**  
The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits HBH from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES  
REQUIRED BY THE STATE OF NORTH DAKOTA**

**Item 17, Additional Disclosures.** The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants:** Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Restriction on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- C. Liquidated Damages and Termination Penalties:** Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- D. Applicable Laws:** Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- E. Waiver of Trial by Jury:** Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- F. Waiver of Exemplary and Punitive Damages:** Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- G. General Release:** Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- H. Limitation of Claims:** Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- I. Enforcement of Agreement:** Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE  
REQUIRED BY THE STATE OF RHODE ISLAND**

1. Item 17, Additional Disclosure. The following statement is added to Item 17:

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 this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

This Additional Disclosure shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure.

**ADDITIONAL DISCLOSURES**  
**REQUIRED BY THE STATE OF WASHINGTON**

**Item 17, Additional Disclosures.** The following statements are added to Item 17:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the Franchise Agreement or the Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement or the Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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 or the Development 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. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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 provisions of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures.

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
AREA DEVELOPMENT AGREEMENT  
REQUIRED FOR ILLINOIS DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Illinois; (B) Developer is a resident of the State of Illinois; and/or (C) part or all of the Development Area is located in the State of Illinois. The provisions of this Addendum only apply if the jurisdictional requirements of the Illinois Franchise Disclosure Act, are met independently without reference to this Addendum.

**2. Governing Law.** The following sentence is added at the end of Section 10.7 of the Development Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

**3. Choice of Forum.** The following sentences are added to the end of Section 10.8 of the Development Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

**4. Limitation of Actions.** The following sentence is added to the end of Section 10.10 of the Development Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

**5. No Waiver.** The following Section 10.21 is added to the end of Section 10 of the Development Agreement:

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

**6. Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Illinois; (B) Franchisee is a resident of the State of Illinois; and/or (C) the Store is located in the State of Illinois. The provisions of this Addendum only apply if the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

**2. Governing Law.** The following sentence is added at the end of Section 21.6 of the Franchise Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

**3. Choice of Forum.** The following sentences are added to the end of Section 21.7 of the Franchise Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

**4. Limitation of Actions.** The following sentence is added to the end of Section 21.9 of the Franchise Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

**5. No Waiver.** The following Section 21.19 is added to the end of Section 21 of the Franchise Agreement:

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

**6. Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
AREA DEVELOPMENT AGREEMENT  
REQUIRED FOR MARYLAND DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Maryland; (B) Developer is a resident of the State of Maryland; and/or (C) part or all of the Development Area is located in the State of Maryland. The provisions of this Addendum only apply if the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

**2. Release.** The following sentence is added to the end of Section 9.4.(g) (Assignment) of the Development Agreement:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Attached to this Addendum as Schedule 1 is the form of the general release that Developer and its owners will sign, as and if, required by this Agreement.

**3. Choice of Forum.** The following sentence is added to the end of Section 10.8 of the Development Agreement:

Notwithstanding the foregoing, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

**4. Limitation of Actions.** The following sentence is added to the end of Section 10.10 of the Development Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

**5. No Waiver.** The following Section 10.21 is added to the end of Section 10 of the Development Agreement:

10.21 Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement 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.

6. **Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule 1**

**GENERAL RELEASE**

This General Release is made effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_. In consideration for the grant by The HBH Franchise Company, LLC (“HBH”), to the undersigned of certain rights in connection with an Area Development Agreement with HBH and/or the transfer or renewal thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally release, discharge, and acquit HBH, its past and present subsidiaries and affiliates, and its and their shareholders, owners, directors, officers, managers, members, partners, employees, agents, representatives, successors and assigns, from any and all liabilities, damages, claims, demands, costs, expenses, debts, indemnities, suits, disputes, controversies, actions and causes of action of any kind whatsoever, whether known or unknown, fixed or contingent, regarding or arising out of any prior or existing franchise relationship, development agreement, franchise agreement or any other agreement executed by any of the undersigned and HBH (or any subsidiary or affiliate of HBH), any HoneyBaked franchise (whether currently or previously owned or operated by the undersigned or any of them), or any other prior or existing business relationship between any of the undersigned and HBH (or any subsidiary or affiliate of HBH), which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against HBH (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims arising from contract, written or oral communications, alleged misrepresentations, and acts of negligence, whether active or passive. This General Release shall survive the assignment or termination of any of the franchise agreements or other documents entered into by and between HBH and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve HBH or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. This General Release shall be governed by and construed in accordance with the laws of the State of Georgia without regard to its conflicts of law provisions.

WITNESS:

\_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_ day of \_\_\_\_\_, 20\_\_.

1. **Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Maryland; (B) Franchisee is a resident of the State of Maryland; and/or (C) the Store is located in the State of Maryland. The provisions of this Addendum only apply if the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

2. **Releases.** The following sentence is added to the end of Sections 3(d) (Renewal); 10.11 (Relocation) and 20.4.(h) (Assignment) of the Franchise Agreement:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Attached to this Addendum as Schedule 1 is the form of the general release that Franchisee and its owners will sign, as and if, required by this Agreement.

3. **Choice of Forum.** The following sentence is added to the end of Section 21.7 of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **Limitation of Actions.** The following sentence is added to the end of Section 21.9 of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

5. **No Waiver.** The following Section 21.19 is added to the end of Section 21 of the Franchise Agreement:

21.19 Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement 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.

6. **Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule 1**

**GENERAL RELEASE**

This General Release is made effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_. In consideration for the grant by The HBH Franchise Company, LLC (“HBH”), to the undersigned of certain rights in connection with the operation of a HoneyBaked franchise and/or the transfer or renewal thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally release, discharge, and acquit HBH, its past and present subsidiaries and affiliates, and its and their shareholders, owners, directors, officers, managers, members, partners, employees, agents, representatives, successors and assigns, from any and all liabilities, damages, claims, demands, costs, expenses, debts, indemnities, suits, disputes, controversies, actions and causes of action of any kind whatsoever, whether known or unknown, fixed or contingent, regarding or arising out of any prior or existing franchise relationship, development agreement, franchise agreement or any other agreement executed by any of the undersigned and HBH (or any subsidiary or affiliate of HBH), any HoneyBaked franchise (whether currently or previously owned or operated by the undersigned or any of them), or any other prior or existing business relationship between any of the undersigned and HBH (or any subsidiary or affiliate of HBH), which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against HBH (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims arising from contract, written or oral communications, alleged misrepresentations, and acts of negligence, whether active or passive. This General Release shall survive the assignment or termination of any of the franchise agreements or other documents entered into by and between HBH and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve HBH or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. This General Release shall be governed by and construed in accordance with the laws of the State of Georgia without regard to its conflicts of law provisions.

WITNESS:

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
AREA DEVELOPMENT AGREEMENT  
REQUIRED FOR MINNESOTA DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

1. **Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Minnesota; (B) Developer is a resident of the State of Minnesota; and/or (C) part or all of the Development Area is located in the State of Minnesota. The provisions of this Addendum only apply if the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

2. **Notice of Termination.** The following sentence is added to the end of Section 6.1 of the Development Agreement:

With respect to franchises governed by Minnesota law, HBH will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which require, except in certain 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 agreements.

3. **Release.** The following sentence is added to the end of Section 9.4(g) of the Development Agreement:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. **Choice of Forum.** The following sentences are added to the end of Section 10.8 of the Development Agreement:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit HBH from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Developer’s rights as provided for in Minnesota Statutes, Chapter 80C, or Developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. **Limitation of Actions.** The following sentence is added to the end of Section 10.10 of the Development Agreement:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

6. **No Jury Trial Waiver.** The third sentence of Section 10.11 of the Development Agreement is deleted.

7. **Acknowledgement.** No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**8. Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC  
FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability** The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Minnesota; (B) Franchisee is a resident of the State of Minnesota; and/or (C) the Store is located in the State of Minnesota. The provisions of this Addendum only apply if the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

**2. Releases.** The following sentence is added to the end of Sections 3(d), 10.11 and 20.4(h) of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

**3. Notice of Termination and Non-Renewal.** The following sentence is added to the end of Sections 3 and 16 of the Franchise Agreement:

With respect to franchises governed by Minnesota law, HBH will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

**4. Marks.** The following sentence is added to the end of Section 9.4 of the Franchise Agreement:

HBH will protect Franchisee’s right to use the Marks and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

**5. Early Termination Damages.** The following sentence is added to the end of Section 16.5 of the Franchise Agreement:

Any provision that requires Franchisee to consent to liquidated damages, termination penalties, or judgment notes may not be enforceable under Minnesota law.

**6. Choice of Forum.** The following sentences are added to the end of Section 21.7 of the Franchise Agreement:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit HBH from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of 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.

7. **Limitation of Actions.** The following sentence is added to the end of Section 21.9 of the Franchise Agreement:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

8. **No Jury Trial Waiver.** The third sentence of Section 21.11 of the Franchise Agreement is deleted.

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

10. **Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
AREA DEVELOPMENT AGREEMENT  
REQUIRED FOR NORTH DAKOTA DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of North Dakota; (B) Developer is a resident of the State of North Dakota; and/or (C) part or all of the Development Area is located in the State of North Dakota. The provisions of this Addendum only apply if the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

**2. Release.** The following sentence is added to the end of Section 9.4(g) of the Development Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

**3. Covenants Not To Compete.** The following sentence is added to the end of Section 7.1 and 7.2 of the Development Agreement:

Covenants not to compete are generally considered unenforceable pursuant to Section 9-08-06, N.D.C.C. in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

**4. Governing Law.** The following sentence is added to the end of Section 10.7 of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to claims arising under the North Dakota Franchise Investment Law.

**5. Choice of Forum.** The following sentence is added to the end of Section 10.8 of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Developer may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

**6. Limitation of Actions.** The following sentence is added to the end of Section 10.10 of the Development Agreement:

Notwithstanding the foregoing, the statute of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

7. **Waiver of Certain Damages and Right to a Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, the first three sentences of Section 10.11 of the Development Agreement shall be deleted.

8. **Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum..

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of North Dakota; (B) Franchisee is a resident of the State of North Dakota; and/or (C) the Store is located in the State of North Dakota. The provisions of this Addendum only apply if the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

**2. Releases.** The following sentence is added to the end of Sections 3(d), 10.11 and 20.4(h) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

**3. Covenants Not To Compete.** The following sentence is added to the end of Section 18.1 and 18.2 of the Franchise Agreement:

Covenants not to compete are generally considered unenforceable pursuant to Section 9-08-06, N.D.C.C. in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

**4. Governing Law.** The following sentence is added to the end of Section 21.6 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to claims arising under the North Dakota Franchise Investment Law.

**5. Choice of Forum.** The following sentence is added to the end of Section 21.7 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

**6. Limitation of Actions.** The following sentence is added to the end of Section 21.9 of the Franchise Agreement:

Notwithstanding the foregoing, the statute of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

**7. Waiver of Certain Damages and Right to a Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, the first three sentences of Section 21.11 of the Franchise Agreement shall be deleted.

8. **Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC  
DEVELOPMENT AGREEMENT  
REQUIRED FOR RHODE ISLAND DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Rhode Island; (B) Developer is a resident of the State of Rhode Island; and/or (C) part or all of the Development Area is located in the State of Rhode Island. The provisions of this Addendum only apply if the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Addendum.

**2. Choice of Forum.** The following language is added to Section 10.8 of the Development Agreement:

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 this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**3. Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC  
FRANCHISE AGREEMENT  
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_ day of \_\_\_\_\_, 20\_\_.

**1. Applicability.** The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; (B) Franchisee is a resident of the State of Rhode Island; and/or (C) the Store is located in the State of Rhode Island. The provisions of this Addendum only apply if the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Addendum.

**2. Choice of Forum.** The following language is added to Section 21.7 of the Franchise Agreement:

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 this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**3. Miscellaneous.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
AREA DEVELOPMENT AGREEMENT  
REQUIRED FOR WASHINGTON DEVELOPERS**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**Background.** The provisions of this Addendum form an integral part of, ~~and~~ are incorporated into, and modify the Development Agreement—regardless of anything to the contrary contained therein. This Addendum ~~is being executed because:~~ ~~(A) applies if:~~ ~~(a) the offer or sale of to sell a franchise to Developer was made is accepted in the State of Washington;~~ ~~(B) Developer b) the purchaser of the franchise is a resident of the State of Washington;~~ and/or ~~(C) part or all of the Development Area is c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in the State of Washington.~~ ~~The~~

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of this Addendum only apply if the jurisdictional requirements of the the Washington Franchise Investment Protection Act are met independently without reference to this Addendum, chapter 19.100 RCW will prevail.

2. The state Franchise Bill of Washington has a statute, the Washington Franchise Investment Protection Act, Rights, RCW 19.100.180 (“Act”), which may supersede this provisions in the Development Agreement in Developer’s or related agreements concerning your relationship with HBH the franchisor, including in the areas of termination and renewal of Developer’s your franchise.- There may also may be court decisions which may that supersede this the Development Agreement or related agreements concerning your relationship with the franchisor. Development Agreement in Developer’s relationship with HBH including the areas of termination and renewal provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

1. ~~Site of Developer’s franchise.~~

~~2.3. 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 Development 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.

1. ~~In the event of a conflict of laws, the provisions of the Act shall prevail.~~

1. ~~Developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.~~

~~3.4. General Release.~~ A release or waiver of rights ~~executed by Developer may not include rights in the Development Agreement or related agreements purporting to bind the franchisee to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any ~~rule rules~~ or ~~order orders~~ thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. ~~Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable, 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 Development 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 HBH's~~ reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the Development Agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in Development Agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the Development 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 Development 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 Development 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 Development 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 Development 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 Development 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 ~~Developer~~ a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for ~~inflation~~ inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of ~~Developer~~ a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for ~~inflation~~ inflation).

As a result, any ~~provisions~~provision contained in the Development Agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

~~6.15.~~ **Nonsolicitation Agreements.** RCW 49.62.060 prohibits ~~HBH~~a franchisor from restricting, restraining, or prohibiting ~~Developer~~a franchisee from (i) ~~soliciting~~ or hiring any employee of a franchisee of ~~HBH~~the same franchisor or (ii) ~~soliciting~~ or hiring any employee of ~~HBH~~the franchisor. As a result, any such provisions contained in the Development Agreement or elsewhere are void and unenforceable in Washington.

~~2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.~~

**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 Development 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.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**DEVELOPER:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_, is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Background.** The provisions of this Addendum form an integral part of, ~~and~~ are incorporated into, and modify the Franchise Agreement ~~regardless of anything to the contrary contained therein~~. This Addendum ~~is being executed because: (A) applies if: (a) the offer or sale of to sell a franchise to Franchisee was made is accepted in the State of Washington; (B) Franchisee (b) the purchaser of the franchise is a resident of the State of Washington; and/or (C) the Store is c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in the State of Washington. The~~

1. **Conflict of Laws.** ~~In the event of a conflict of laws, the provisions of this Addendum only apply if the jurisdictional requirements of the the Washington Franchise Investment Protection Act are met independently without reference to this Addendum, chapter 19.100 RCW will prevail.~~

2. ~~The state of Washington has a statute, the Washington Franchise Investment Protection Act, Franchisee Bill of Rights, RCW 19.100.180 (“Act”), which may supersede this provisions in the Franchise Agreement in Franchisee’s or related agreements concerning your relationship with HBH the franchisor, including in the areas of termination and renewal of Franchisee’s your franchise.- There may also may be court decisions which may that supersede this the Franchise Agreement in Franchisee’s or related agreements concerning your relationship with HBH including the areas of termination the franchisor. 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 renewal of Franchisee’s 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.

4. ~~In the event of a conflict of laws, the provisions of the Act shall prevail.~~

5. ~~Developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.~~

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

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

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

~~6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.~~

**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.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

**HBH:**  
**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT F**

**VETFRAN PROGRAM ADDENDUM TO DEVELOPMENT AGREEMENT**

**VETFRAN PROGRAM ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC  
DEVELOPMENT AGREEMENT ~~(SINGLE STORE)~~**

This Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of \_\_\_\_\_.

RECITALS

In order to recognize the contribution of United States military personnel, attract new developers and encourage the development of franchised HoneyBaked stores (“HoneyBaked Stores”), HBH has implemented a veterans incentive program (“VetFran Program”) whereby HBH will reduce the Development Fee for ~~qualified veteran developers that develop and open up to three (3)~~ new HoneyBaked Stores developed by qualified veterans.

Developer (or if Developer is an entity, a holder of at least a 51% ownership in Developer) is a veteran and has provided HBH with a DD Form 214 or other adequate documentation, as determined by HBH, demonstrating honorable discharge from the United States military.

Pursuant to the Development Agreement, Developer has agreed to develop ~~one (1)~~ \_\_\_\_\_ ( ) HoneyBaked Store[s] in the Development Area.

Developer does not currently operate any HoneyBaked Stores.

Since Developer’s development of the HoneyBaked ~~Store (“Store~~Stores (“Stores”) meets the criteria for the VetFran Program, HBH and Developer are entering into this Addendum to provide the VetFran Program benefits to Developer and to modify certain provisions of the Development Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Development Fee Reduction. ~~Developer paid a reduced~~ HBH shall reduce the Development Fee to HBH in the amount of for Developer’s first Store by five thousand dollars (\$5,000); and by two thousand five hundred dollars (\$2,500) for Developer’s second and third Stores. [DRAFTING NOTE: REVISE AND UPDATE BASED ON NUMBER OF STORES.]

2. Repayment of Reduced Development Fee on Transfer or Termination. If, prior to the first anniversary of the opening date of ~~the Store~~ any Store that received a reduced Development Fee, (a) Developer transfers the Store (or if Developer is an entity, any equity interests in Developer are transferred); or (b) HBH terminates the ~~Development~~ Franchise Agreement for such Store, then Developer must pay to HBH the portion of the Development Fee that was waived by HBH ~~in~~ for such Store. This obligation shall survive the amount of ten thousand dollars (\$10,000); expiration or earlier termination of the Development Agreement.

3. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Development Agreement.

B. The Development Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Development Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Development Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

DEVELOPER:  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT G**

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**EXHIBIT H**  
**TRAINING PARTICIPATION AND NONDISCLOSURE AGREEMENT**

## TRAINING PARTICIPATION AND NONDISCLOSURE AGREEMENT

**THIS AGREEMENT** is made as of the date set forth on the last page of this Agreement by \_\_\_\_\_ (“Participant”) in favor of and for the benefit of The HBH Franchise Company, LLC (“HBH”).

### **1. Purpose**

Participant, who is an employee and/or owner of a HoneyBaked franchisee (the “Franchisee”), will attend and participate in training offered by HBH concerning the methods, techniques, and systems associated with operating a HoneyBaked store (the “Training Program”). This Agreement addresses the confidential nature of the information that will be divulged to Participant in the Training Program.

Participant agrees that in exchange for being permitted to attend and participate in the Training Program, s/he will abide by the terms of this Agreement.

### **2. Confidential Information**

**A.** Participant understands that during the Training Program and the course of her/his association with the Franchisee, Participant may be provided with or otherwise have access to non-public information that HBH considers to be of a confidential, proprietary, or trade secret nature. Among other things, this confidential, proprietary, and/or trade secret information may include details regarding HBH’s business plan and related systems and processes, as well as other financial, business, and technical information, marketing, engineering and other plans, financial statements and projections, customer and supplier information, research, designs, plans, compilations, methods, techniques, processes, procedures, and know-how of HBH, whether in tangible or intangible form, and whether or not stored, compiled or memorialized physically, electronically, graphically, photographically, or in writing (together, all of the above are deemed to be “Confidential Information”).

**B.** Participant agrees to treat all of the Confidential Information in a private and confidential manner. Participant agrees to maintain the privacy of the Confidential Information in a manner that is no less protective of that information than other private information concerning Participant, the Franchisee’s business, and other similar sensitive information.

**C.** Participant agrees not to sell, transfer, publish, disclose, or otherwise use or make available any portion of the Confidential Information to third parties (except to employees of the Franchisee who clearly have a need-to-know the Confidential Information solely for the purpose of operating the Franchisee’s HoneyBaked store).

**D.** Participant understands and agrees that HBH owns all of the Confidential Information. Participant also understands and agrees that the Confidential Information may only be used for the specific purposes expressly authorized by this Agreement.

**E.** Participant understands and agrees that HBH is not granting to Participant any license to use HBH’s intellectual property (for example, patents, trademarks, copyrights, domain names, and trade dress).

**F.** Upon the termination or expiration of this Agreement, or at HBH’s request, Participant agrees to promptly destroy all of its copies of Confidential Information in its possession, or at HBH’s request, to return the Confidential Information to HBH (in accordance with HBH’s instructions).

### **3. General Terms.**

**A.** Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

**B.** This Agreement is the entire agreement between the parties concerning the subject matter and supersedes any prior agreements concerning the subject matter hereof. No amendment or modification of this Agreement shall be valid or binding on the parties unless made in a mutually executed writing.

**C.** The term of this Agreement shall be for: (i) the entire length of time that Participant is associated with Franchisee; and (ii) for an additional period of three (3) years after that association ends.

**D.** If any part of this Agreement is not valid or unenforceable, that shall not affect the validity or enforceability of the rest of this Agreement. Instead, the invalid or unenforceable provision shall be deemed to be amended to the minimum extent necessary to render it enforceable under applicable law while retaining to the maximum extent possible the intent and economic benefit of the original provision consistent with applicable law.

**E.** No delay or omission by HBH in exercising any right under this Agreement will operate as a waiver of that or any other right.

**F.** This Agreement is governed by and will be construed exclusively in accordance with the laws of the State of Georgia (without regard to Georgia conflicts of law principles).

**G.** The parties agree agrees that all disputes arising under this Agreement will be heard only in the federal or state courts in the state in which HBH has its principal place of business at the time any proceeding relating to such matter is filed. The parties consent to venue in Fulton County, Georgia, or such other county where the principal place of business of HBH is then located, and irrevocably and unconditionally waive any rights they may have to assert jurisdiction or venue in any other court, administrative forum, or other adjudicative body.

**H.** Participant acknowledges and agrees that its breach of this Agreement may cause irreparable injury to HBH, and that HBH may seek and obtain injunctive and other equitable relief against such breach.

**I.** Participant and Franchisee understands and agrees that Participant is not (and shall not be deemed to be) employed by HBH, and both Participant and Franchisee agree that they will not claim otherwise.

**J.** This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date noted below.

**HBH:**

**PARTICIPANT:**

THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

By: \_\_\_\_\_  
Resident of: \_\_\_\_\_

**EXHIBIT I**

**NONCOMPETITION AND NONDISCLOSURE AGREEMENT**

## NONCOMPETITION AND NONDISCLOSURE AGREEMENT

This Noncompetition and Nondisclosure Agreement (the "Agreement") is made effective as of the date set forth on the last page of this Agreement (the "Effective Date") by and among The HBH Franchise Company, LLC, a Georgia limited liability company with its principal place of business at 3875 Mansell Road, Alpharetta, Georgia 30022-1532 ("HBH"); \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ ("Transferor"); and \_\_\_\_\_, a resident of the State of \_\_\_\_\_ with a principal address at \_\_\_\_\_ and \_\_\_\_\_, a resident of the State of \_\_\_\_\_ with a principal address at \_\_\_\_\_ ([jointly/collectively] "Owners" and collectively with Transferor "Covenantors").

### RECITALS

Transferor operated a HoneyBaked store located at \_\_\_\_\_ (the "Store") pursuant to a Franchise Agreement dated \_\_\_\_\_ by and between Transferor and HBH (the "Franchise Agreement")

Concurrently with the execution and delivery of this Agreement, HBH, Transferor and \_\_\_\_\_, a \_\_\_\_\_ ("Transferee"), entered into that certain Transfer And Assumption Agreement dated as of even date herewith (the "Transfer And Assumption Agreement") pursuant to which Transferor is transferring its rights and obligations under the "Franchise Agreement to Transferee (the "Transfer");

Owners are officers, directors and/or equity owners of Transferor and as such possess special knowledge, abilities and experience regarding the business of Transferor; and

In order to induce HBH to enter into the Transfer And Assumption Agreement, and in order to satisfy the requirements of the Franchise Agreement concerning the Transfer, HBH desires to obtain, and, subject to the terms and conditions hereof, Covenantors agree to provide, certain representations, warranties and covenants as more fully set forth below.

**NOW, THEREFORE**, for and in consideration of the premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereby covenant and agree as follows:

**1. Noncompetition.** For a period of two (2) years after the date of this Agreement, Covenantors agree that Covenantors will not, either individually or collectively, directly or indirectly for the benefit of Covenantors, or through or on behalf of or in conjunction with any other person or entity, engage in (a) any business involved in the preparation or sale of whole or part hams or turkeys within fifteen (15) miles of the Protected Territory, as defined in the Franchise Agreement, or (b) any business that serves sandwiches, soups or salads within fifteen (15) miles of the Protected Territory. Nothing herein shall restrict Covenantors' involvement with HBH Stores operated under agreements with HBH.

**2. Nondisclosure of Confidential Information.**

**2.1** Covenantors expressly acknowledge and agree that: (a) in connection with the operation of HBH Stores and the HoneyBaked System, HBH and HBH's affiliates have developed at great expense competitively sensitive trade secrets (including, without limitation, the Software and Licensed Materials) and confidential information which are not commonly known by or available to the public, and that for

purposes of this Agreement, “trade secrets” means information as defined in O.C.G.A. § 10-1-761(4), and “Confidential Information” means any and all information and documentation, without regard to form, other than trade secrets, which relates to the operation of HBH Stores or the HoneyBaked System and which is confidential and proprietary to HBH; provided, however, that trade secrets and Confidential Information do not include any information that (i) is commonly known by or available to the public, (ii) has been voluntarily disclosed to the public by HBH, (iii) has been independently developed or lawfully obtained by Covenantors without reliance on trade secrets or Confidential Information of HBH, or (iv) has otherwise entered the public domain through lawful means; and (b) for purposes of this Agreement, trade secrets and Confidential Information may include, but not be limited to, information (in whatever form) relating to or regarding the Marks, the FOM, other proprietary matters pertaining to the HoneyBaked System, and other proprietary information regarding the operation of HBH Stores which HBH has designated as “confidential.”

**2.2** Covenantors expressly covenant and agree that, (i) regarding Confidential Information, for a period of five (5) years from the date of this Agreement, and (ii) regarding trade secrets, for so long as such information remains a trade secret, Covenantors will not, except only as required for the benefit of HBH in carrying out Transferor’s surviving obligations under the Franchise Agreement, without the prior express written consent of HBH, directly or indirectly, divulge, disclose, convey or publish to any person or entity, or reproduce, use or apply for Covenantors’ own benefit, or the benefit of another or others, in any way, any trade secrets or Confidential Information of HBH. Covenantors also agree that Transferor and all of Transferor’s employees and agents will observe all security measures implemented by HBH to protect its trade secrets and Confidential Information. Upon the request of HBH, Covenantors will immediately return any and all copies or other reproductions of trade secrets or Confidential Information to HBH.

**2.3** Notwithstanding the foregoing, in the event Covenantors are contacted by a bona-fide franchise prospect of HBH, Covenantors shall be permitted to share information regarding the financial performance of the Store operated under the Franchise Agreement and the relationship Covenantors had with HBH. Covenantors shall request HBH to confirm the identity of bona-fide franchise prospects prior to sharing any information permitted under this section.

**3. Waiver.** Covenantors acknowledge that no waiver by HBH of any breach by Covenantors of any provision of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.

**4. Enforcement.**

**4.1** This Agreement is governed by and will be construed exclusively in accordance with the laws of the State of Georgia (without regard to Georgia conflicts of law principles).

**4.2** The parties agree that all disputes arising under this Agreement will be heard only in the federal or state courts in the state in which HBH has its principal place of business at the time any proceeding relating to such matter is filed. The parties consent to venue in Fulton County, Georgia, or such other county where the principal place of business of HBH is then located, and irrevocably and unconditionally waive any rights they may have to assert jurisdiction or venue in any other court, administrative forum, or other adjudicative body.

**4.3** Covenantors understand that any violation of this Agreement will cause HBH immediate and irreparable harm which money damages cannot adequately remedy. Therefore, Covenantors agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Covenantors,

HBH shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by HBH shall be in addition to, and not in lieu of, all remedies and rights that HBH otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

**5. Miscellaneous.**

**5.1** To the extent not otherwise defined herein, all capitalized terms shall have the meanings assigned to them in the Franchise Agreement.

**5.2** Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

**5.3** If a court of competent jurisdiction deems any provision of this Agreement invalid, unreasonable or unenforceable, then the remaining provisions will not be affected and the invalid provisions may be enforced to the extent deemed reasonable by the courts.

**5.4** This Agreement is the entire agreement between the parties concerning the subject matter and supersedes any prior agreements concerning the subject matter hereof. No amendment or modification of this Agreement shall be valid or binding unless made in a mutually executed writing.

**5.5** This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date noted below.

**HBH:**

**THE HBH FRANCHISE COMPANY, LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

**COVENANTORS:**

**TRANSFEROR:**

\_\_\_\_\_,

a \_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

**OWNERS:**

Signed: \_\_\_\_\_

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

Resident of: \_\_\_\_\_

Signed: \_\_\_\_\_

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

Resident of: \_\_\_\_\_

**EXHIBIT J**  
**FRANCHISEE LISTS**

**FRANCHISED STORE LIST AS OF SEPTEMBER ~~29, 2024~~28, 2025**

<b>FRANCHISEE AND CONTACT PERSON</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
<a href="#"><u>Alabama Hams, LLC</u></a> <a href="#"><u>Andy Gaghagen</u></a>	<a href="#"><u>2804 Spring Avenue SW, Suite B</u></a>	<a href="#"><u>Decatur</u></a>	<a href="#"><u>AL</u></a>	<a href="#"><u>35603</u></a>	<a href="#"><u>(256)686-9446</u></a>
Thompson Holdings, LLC Michael & Nancy Thompson	426 Fairhope Avenue	Fairhope	AL	36532	(251) 928-7262
Alabama Hams, LLC Andy Gaghagen	301 Cox Creek, Suite 1320	Florence	AL	35630	(256) 760-0650
Thompson Holdings, LLC Michael & Nancy Thompson	2770 S. McKenzie Street	Foley	AL	36535	(251) 923-4361
Oink, Inc. Jason & Lisa Downard	1828 McFarland Blvd.	Northport	AL	35476	(205) 339-8800
Sandwich, Inc. Tom Hayley	1451 Gateway Drive, Suite C	Opelika	AL	36801	(334) 741-8411
Gaghagen, Inc. Andy Gaghagen	637 Snow Street	Oxford	AL	36203	(256) 832-0700
Gaghagen, Inc. Andy Gaghagen	115 East Grand Avenue, #100	Rainbow City	AL	35906	(256) 467-4799
T&D Specialty Foods, LLC Todd Darouse	1400 SE Walton, Suite 44	Bentonville	AR	72712	(479) 271-7838
T&D Specialty Foods, LLC Todd Darouse	3037 North College Avenue	Fayetteville	AR	72703	(479) 444-8700
C and B Specialty Foods, Inc.	4334 Central Avenue, Suite C	Hot Springs	AR	71913	(501)520-4267
<del>THBR Unlimited, LLC</del> <del>Tom Smith</del>	<del>2001 East Nettleton Avenue</del>	<del>Jonesboro</del>	<del>AR</del>	<del>72401</del>	<del>(870) 931-3737</del>
SW Ham, LLC Toni Gilbert	4705 E. Carefree Hwy	Cave Creek	AZ	85331	(480) 581-4440
SW Ham, LLC Toni & Brett Gilbert	2975 E. Ocotillo Rd., #5	Chandler	AZ	85249	(489) 887-0953
Arizona Ham Company, LLC Toni & Brett Gilbert	5030 East Ray Road, Suite 13	Phoenix	AZ	85044	(480) 598-3000
Arizona Ham Company, LLC Toni & Brett Gilbert	9897 West McDowell Road, B- 250	Tolleson	AZ	85353	(623) 936-1199
Ham Delite – Culver City, Inc. Shauna Crowley	11405 Jefferson Blvd.	Culver City	CA	90230	(310) 390-4452
King Fish, Inc. Jon Kagawa	547 N. Glendale Ave.	Glendale	CA	91206	(818) 242-0082
Ham Delite, Inc. Shauna Crowley	2428 W. Whittier Blvd.	La Habra	CA	90631	(562) 690-4360
Ham Delite – Lakewood, Inc. Shauna Crowley	4115 Candlewood	Lakewood	CA	90712	(562) 634-9711
Mardek Enterprises, Inc. Danielle King	1419 N. Tustin	Orange	CA	92867	(714) 997-9960

<b>FRANCHISEE AND CONTACT PERSON</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
Mardek Enterprises, Inc. Danielle King	5276 Arlington Ave.	Riverside	CA	92504	(951) 688-9681
Mardek Enterprises, Inc. Danielle King	707-A West Second St.	San Bernardino	CA	92410	(909) 888-6267
Ham Delite – Torrance, Inc. Shauna Crowley	2861 Pacific Coast Hwy	Torrance	CA	92410	(310) 326-7603
Mardek Enterprises, Inc. Danielle King	13771 Newport Ave. #13	Tustin	CA	90505	(714) 731-6616
Bax & Dun Enterprises, LLC Carole & Mike Dunlap	731 E Harmony Road	Ft. Collins	CO	80525	(970) 225-1211
Bax & Dun Enterprises, LLC Carole & Mike Dunlap	3766 West 10th Street, Suite B	Greeley	CO	80634	(970) 346-0200
T & C Foods, LLC Gino Carleo	1000 West 6th Street, Suite P	Pueblo	CO	81003	(719) 545-0079
Red House Connecticut, LLC Thomas McGwire	1270 Boston Road	Milford	CT	06460	(203) 874-4800
Red House Connecticut, LLC Thomas McGwire	2657 Berlin Turnpike	Newington	CT	06111	(860) 666-5400
PigTales LLC Bill Anstee	4764 Limestone Road, Suite A	Wilmington	DE	19808	(302) 397-8757
Georggi's Restaurant Group, LLC Philip Georggi	5771 Manatee Avenue West	Bradenton	FL	34209	(941) 761-3766
<a href="#">Georggi's Foods, Inc.</a> <a href="#">Amgad Georggi</a>	<a href="#">2631 S. Hwy 27</a>	<a href="#">Clermont</a>	<a href="#">FL</a>	<a href="#">34711</a>	<a href="#">(352)298-2827</a>
The Ham Meister, Inc. Kris & Rick Labitzke	345 Bill France Blvd.	Daytona Beach	FL	32114	(386) 238-0026
Ham It Up, Inc. Donnie Covey	421 W. Plaza Drive	Eustis	FL	32726	(352) 483-1776
Three Little Pigs, Inc. Stan Given	618 NW 60th Street	Gainesville	FL	32607	(352) 331-1253
Ham It Up, Inc. Donnie Covey	Village Crossroads 524 N. Hwy 27/441	Lady Lake	FL	32159	(352) 259-3900
Georggi's Foods, Inc. Amgad Georggi	5615 South Florida Ave.	Lakeland	FL	33813	(863) 648-0708
S&B Hams, Inc. Jimmy Salerno	2709 SW 27th Avenue Unit 101	Ocala	FL	34471	(352) 861-0011
Coverno, Inc. Jimmy Salerno	13741 South John Young Parkway	Orlando	FL	32837	(407) 851-0200
Ham Wild, Inc. Jimmy Salerno & Donnie Covey	1499 Palm Coast Parkway	Palm Coast	FL	32137	(386) 585-4545

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
Georggi's Restaurant Group, LLC Philip Georggi	2605 Tamiami Trail	Port Charlotte	FL	33952	(941) 625-3626
Georggi's Restaurant Group, LLC Philip Georggi	8637 US Highway 19	Port Richey	FL	34668	(727) 815-3739
Cambrett, Inc. Jimmy Salerno	318 N. Entrance Road	Sanford	FL	32771	(407) 688-2271
Georggi's Restaurant Group, LLC Philip Georggi	4638 Commercial Way	Spring Hill	FL	34606	(352) 592-2994
<del>S&amp;B&amp;W Enterprises Group</del> <del>Hams, Inc.</del> <del>Melissa &amp; Adolphus</del> <del>Beekford Jimmy, Brett,</del> <del>Savanna Salerno</del>	272 State Road 312	St. Augustine	FL	32086	(904) 810-0995
ALB Hams LLC Patrick and Jennifer Benton	1519 Capital Circle NE	Tallahassee	FL	32308	(850) 205-1426
Bone In Corp. Stacy & Harley Zachary	12040 Anderson Road	Tampa	FL	33625	(813) 269-0302
Paragon Foods, Inc. <del>Bob Newsome</del> Clay Chester	621-C North Westover Blvd.	Albany	GA	31707	(229) 436-4267
Hams4Him, LLC Matt Bengochea	3690 Atlanta Highway, Suite 107	Athens	GA	30606	(706) 613-8800
Rian and Rhonda True Enterprises, Inc. Rian & Rhonda True	2825 Washington Rd.	Augusta	GA	30909	(706) 738-4267
RSO Properties and Investments, Inc. Scott Orr	106 Scranton Connector	Brunswick	GA	31525	(912) 264-1823
EC Foods Company, Inc. Mike Gelatt	1455 Riverstone Parkway	Canton	GA	30114	(770) 479-1369
The Sweet Tea Management Group, Inc. Todd and Laycie Ewing	883 Joe Frank Harris Parkway	Cartersville	GA	30120	(770) 386-5244
<del>The Toon Group,</del> Columbus <del>Ham</del> LLC <del>April &amp; Barry Toon</del> Brad <del>Bloodworth, George Jackson,</del> <del>&amp; Joseph Hanson</del>	1701 Rollins Way	Columbus	GA	31902	(706) 653-1703
JJLaneABN, LLC Jennifer Nichols	100 W. Walnut Ave., Suite 118	Dalton	GA	30720	(706) 277-4966
Southwind Foods, Inc. Scott Bower	355 Quill Drive	Dawsonville	GA	30534	(706) 216-2270
Sandee White Foods, Inc. Sandee Wardlaw	7421 Douglas Blvd.	Douglasville	GA	30135	(770) 489-1500

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
GEI Ellijay Inc. Mike Gelatt	29 Highland Drive, #103	Ellijay	GA	30540	(706) 276-2112
Rian and Rhonda True Enterprises, Inc. Rian & Rhonda True	4217 Washington Road, Suite 8	Evans	GA	30907	(706) 860-4265
Hams4Him, LLC Matt Bengochea	1237 Thompson Bridge Road	Gainesville	GA	30501	(770) 287-1773
Kason Foods Corporation Jennifer Calhoun	1000 Tanger Drive, Suite 315	Locust Grove	GA	30248	(770) 898-0703
<del>The Toon Group, Macon Ham</del> LLC <del>April &amp; Barry Toon</del> <del>Brad Bloodworth, George Jackson,</del> <del>&amp; Joseph Hanson</del>	4524 Forsyth Rd., Suite 301	Macon	GA	31210	(478) 474-5500
<del>Toon Enterprises, Inc.</del> <del>April Toon</del> <del>Newnan Ham</del> LLC <del>Brad Bloodworth, George</del> <del>Jackson, &amp; Joseph Hanson</del>	244 Newnan Crossing Bypass	Newnan	GA	30265	(678) 423-3600
Bull River Holdings, LLC John Peecksen	201 Tanger Outlets Blvd. Suite 630	Pooler	GA	31322	(912) 330-6510
Gaghagen, Inc. Michael A. Gaghagen	900 Martha Berry Blvd. NE	Rome	GA	30165	(706) 291 2983
Bull River Holdings, LLC John Peecksen	8608 Abercorn Street	Savannah	GA	31406	(912) 920-7400
<del>The Toon Group, LLC</del> <del>April &amp; Barry Toon</del> <del>Warner Robins Ham, LLC</del> <del>Brad Bloodworth, George Jackson,</del> <del>&amp; Joseph Hanson</del>	150 S. Houston Lake Road, Suite 100	Warner Robins	GA	31088	(478) 971-4528
T&G Hams, LLC Tess Keim	992 N. Milwaukee Street	Boise	ID	83704	(208) 296-7999
HAMARK LLC Zina and John Chilmark	3502 S 25th E, Suite 1	Idaho Falls	ID	83404	(208) 973-4004
Page & Sons, Inc. Craig Page	538 Main St. NW	Bourbonnais	IL	60914	(815) 935-9700
Big City Ham Company Ann Plewa	2815 N. Ashland	Chicago	IL	60657	(773) 880-8400
Ham Man, Inc. Jacob Kuenster	5186 Northwest Hwy, Suite 139	Crystal Lake	IL	60014	(815) 477-4426
Liberty Sales of Illinois, Inc. David and Karen Cioni	4949 Grand Avenue	Gurnee	IL	60031	(847) 775-1616
White Dolphin, LLC Edmundo Lopez	8100 E US Hwy 36, Suite N	Avon	IN	46123	(317) 272-2005
Kinsler-Jeffers Enterprises, LLC Sherry & Bill Jeffers	3293 West 3rd Street	Bloomington	IN	47404	(812) 336-4426
Pennyhill Ham Company Mike Kalb	2001-10 E. Greyhound Pass	Carmel	IN	46032	(317) 580-9080

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
ELCO Ventures, LLC Eric Ralph	1446 N. Green River Road	Evansville	IN	47715	(812) 471-2940
M.C. Hams, Inc. Mike Bradbury	6410 West Jefferson Blvd.	Ft. Wayne	IN	46804	(260) 436-8998
M.C. Hams, Inc. Mike Bradbury	10310 Coldwater Road	Ft. Wayne	IN	46825	(260) 387-7038
Jemcon, Inc. John Misch	2004 45th Street	Highland	IN	46322	(219) 924-1177
Pennyhill Ham Company Mike Kalb	3905 West 96th Street, Suite 100	Indianapolis	IN	46268	(317) 872-2795
Jemcon, Inc. John Misch	1665 E. 80th Avenue	Merrillville	IN	46410	(219) 795-1555
Hamtastic, Inc. Kerry Kemmer	3602 Northgate Ct., Suite 23	New Albany	IN	47150	(812) 941-9426
Hamlet Enterprises Chuck & Jane Hamlet	1051 Bryant Way, Suite 1	Bowling Green	KY	42103	(270) 796-9444
1034, LLC <del>Steven Park</del> <a href="#">Aaron Pedigo</a> and <a href="#">David Pedigo</a>	3048 Ring Rd.	Elizabethtown	KY	42701	(270) 763-0811
Jayson Henderson	2835 South Highway US 27	Somerset	KY	42501	(606)679-0047
<del>Oink, Inc.</del> <del>John Early</del>	<del>808 North Highway 190, Suite H</del>	<del>Covington</del>	<del>LA</del>	<del>70433</del>	<del>(985) 875-1911</del>
Houma Ham Company, LLC Richard Reaves	1539 MLK Boulevard, Suite 114	Houma	LA	70360	(985) 851-3692
Lafayette Ham Co., LLC Denise & Richard Reaves	Crossroads South 4400- F Ambassador Caffery Parkway	Lafayette	LA	70508	(337) 524-1010
Honey Hill LLC Hill Dupuy	5300 Tchoupitoulas	New Orleans	LA	70115	(504) 891-5100
Smith Hams, LLC William Smith	5739 Youree Drive	Shreveport	LA	71105	(318) 865-4411
American Treats, LLC Loveday Uduhiri	6900 Laurel Bowie Road	Bowie	MD	20715	(301) 383-0442
Carolina Restaurant Management Group, Inc. Matt Davis & David Rose	1306 W. Patrick Street	Frederick	MD	21703	(301) 662-4426
B.A. Ham, Inc. Jeff Wahlbrink	16529 S. Frederick Avenue	Gaithersburg	MD	20877	(301) 527-8777
<a href="#">Carolina Restaurant Management Group, Inc.</a> <a href="#">Matt Davis</a>	<a href="#">1580 Wesel Blvd.</a>	<a href="#">Hagerstown</a>	<a href="#">MD</a>	<a href="#">21740</a>	<a href="#">(301) 671-0777</a>
Carolina Restaurant Management Group, Inc. Matthew Davis & David Rose	50 St. Patricks Drive	Waldorf	MD	20603	(301) 638-0086
Schmidt Hamco, LLC Louis Schmidt V	3446 Washtenaw Ave.	Ann Arbor	MI	48104	(734) 677-8500

<b>FRANCHISEE AND CONTACT PERSON</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
Maly Enterprises, LLC Ray Maly	5601 W. Saginaw Hwy	Lansing	MI	48917	(517) 327-5008
The Komara Group, LLC Chris Komara	221 W. Wackerly Street	Midland	MI	48640	(989) 835-4267
Maly Enterprises, LLC Ray Maly	1695 Hamilton Road	Okemos	MI	48864	(517) 349-9393
Maly Enterprises, LLC Ray Maly	5823 South Westnedge	Portage	MI	49002	(269) 345-1199
Schmidt Hamco, LLC Louis Schmidt V	44871 Hayes Road	Sterling Heights	MI	48313	(586) 566-4700
RJTM Investments, Inc. Mike Muzljakovich	815 S. Garfield Avenue	Traverse City	MI	49686	(231) 935-4267
The Komara Group, LLC Chris Komara	3150 Alpine Avenue NW, Suite D	Walker	MI	49544	(616) 724-4169
The Davis Restaurant Group, Inc. Matt <del>Daviss</del> Davis	14150 Nicollett Ave. South, Suite 14A	Burnsville	MN	55337	(952) 435-8000
The Davis Restaurant Group, Inc. Matt Davis	12965 Ridgedale Drive	Minnetonka	MN	55305	(952) 540-1048
<a href="#">The Davis Restaurant Group, Inc.</a> <a href="#">Matt Davis</a>	<a href="#">779 Bielenberg Drive, Units 101 and 102</a>	<a href="#">Rochester</a>	<a href="#">MN</a>	<a href="#">55125</a>	<a href="#">(952)372-4111</a>
The Davis Restaurant Group, Inc. Matt Davis	2401 Fairview Ave.	Roseville	MN	55113	(651) 631-8211
Ex Nihilo Development, LLC Donnie Shaw	201 S. Mt. Auburn, Suite G	Cape Girardeau	MO	63703	(573) 334-1963
Ex Nihilo Development, LLC Donnie Shaw	510 E. Green Meadows Road, Suite 107	Columbia	MO	65201	(573) 256-4267
Patterson Enterprises, Inc. Billy Patterson	4600 Hardy Street, Suite 10	Hattiesburg	MS	39402	(601) 268-6434
Three Sisters Food Services, LLC Karrie & Billy Goodman	103 South Frontage Rd., Suite 202	Meridian	MS	39301	(601) 693-7244
GCI, LLC James Robert Gatlin	204 Merchants Drive	Oxford	MS	38655	(662) 234-4472
C and N Specialty Foods, Inc. Andrew Godwin	405 S. Gloster Street	Tupelo	MS	38801	(662) 844-4888
Oink, Inc. Jason & Lisa Downard	2480 S. Frontage Road, Suite A	Vicksburg	MS	39180	(601) 629-9830
Joyful Noise Enterprises, LLC Keith Gover	11088 North US Highway 15/501, Unit 921	Aberdeen	NC	28315	(910) 246-1830

<b>FRANCHISEE AND CONTACT PERSON</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
The Davis Restaurant Group, Inc. Matt Davis	5 Miller Road S, Suite 5	Asheville	NC	28803	(828) 259-9426
The Davis Restaurant Group, Inc.* Matt Davis	544 Huffman Mill Road	Burlington	NC	27215	(336) 584-1818
The Davis Restaurant Group, Inc.* Matt Davis	1480 Concord Parkway North, Suite 80	Concord	NC	28025	(704) 918-4500
Marion H. Davis Jr. & Associates, Inc. Barbara Davis & Matt Davis	20609 Torrence Chapel Road, Suite 112	Cornelius	NC	28031	(704) 892-9592
Joyful Noise Enterprises, LLC Keith Glover	160 N. McPherson Church Rd.	Fayetteville	NC	28303	(910) 868-3553
Marion H. Davis Jr. & Associates, Inc. Barbara Davis & Matt Davis	1867-A Remount Road	Gastonia	NC	28054	(704) 868-3376
Maregerguis, LLC Nader Botros	710 C Red Banks Road	Greenville	NC	27858	(252) 329-0700
Herbert Wayne Pace	165 Four Seasons Mall Highway 64 East	Hendersonville	NC	28792	(828) 698-8300
The Davis Restaurant Group, Inc.* Matt Davis	1364 Highway 321 NW	Hickory	NC	28601	(828) 326-9850
Barton Inc. of Jacksonville, LLC Jackie & Mike Barton	1250 N-5 Western Blvd.	Jacksonville	NC	28546	(910) 577-4267
The Davis Restaurant Group, Inc. Matt Davis	1901 Monroe Way	Monroe	NC	28110	(908) 758-8588
Barton Inc. of Morehead City, LLC Jackie Barton	5167 US-70, Suite 40	Morehead City	NC	28557	(252) 723-8260
The Carpenter's Table, LLC David Hardy	14460 New Falls of Neuse Road, Suite 161	Raleigh	NC	27614	(919) 263-1796
C.T.G. Foods, Inc. Chris Gardner	3641 Sunset Avenue	Rocky Mount	NC	27804	(252) 937-4267
Meena Enterprises, LLC Nader Botros	120 Summit Park Drive Suite 200	Salisbury	NC	28146	(704) 633-1110
Carolina Business Management, LLC David Rose	351-26 S. College Road	Wilmington	NC	28403	(910) 452-0085
Reino LLC Matt Reinhart	16902 Wright Plaza, Suite 165	Omaha	NE	68130	(402) 991-4444

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
Banquet Partners, Inc. Dante Sugang	1197 Amboy Ave.	Edison	NJ	08837	(732) 452-0039
Mercer County Hams, LLC Maria Jordan & Philip Rivera	3371 Brunswick Pike	Lawrenceville	NJ	08648	(609) 452-1011
<del>WGM Foods, Inc.</del> <del>Kevin Bentz, Scott Bentz &amp; Daniel Fulton</del>	<del>898 N. Route 73</del>	<del>Marlton</del>	<del>NJ</del>	<del>08053</del>	<del>(856) 985-4777</del>
Red House Connecticut, LLC Thomas McGwire, Brett McGwire, Charlie McGwire, and Tad McGwire	770 Route 35 South	Middleton	NJ	07748	(732) 842-1115
Delectable Partners, Inc. Dante Sugang	792 Broomfield Avenue	West Caldwell	NJ	07006	(973) 244-1426
Second Act Management, LLC Rose Ramirez	57 North Central Avenue	Hartsdale	NY	10530	(914) 610-4267
Brentmoor Hams, LLC Richard & Diana Neuenschwander	813 Boardman-Poland Road, Suite 13	Boardman	OH	44512	(330) 965-0600
Sunny Brothers, LLC Sanjay Patel	1374 Polaris Parkway	Columbus	OH	43240	(614) 880-9900
Albany Farms, LLC. <del>Jerry Merritt &amp; Andrew Thompson</del> & <u>Richard Schulte</u>	1006 Hebron Road, Suite A	Heath	OH	43056	(740) 522-1100
RNM Management, LLC Richard & Melissa Hokanson	6527 Brecksville Road	Independence	OH	44131	(216) 573-1388
Karma in Paradise, LLC Steve & Natasha Schwartz	33493 Aurora Road	Solon	OH	44139	(440) 349-0600
HB Ham, LLC <u>Andrew Thompson &amp; Richard Schulte</u>	2001 North Bechtle Avenue	Springfield	OH	45504	(937) 399-2777
Michelle, Inc. Rick Payne & Syd Payne	50609 Valley Plaza Drive	St. Clairsville	OH	43950	(740) 699-0393
Sunset in Paradise, Inc. Steve Schwartz	9438 State Route 14, Unit A	Streetsboro	OH	44241	(330) 626-0606
HB Ham, LLC <u>Andrew Thompson &amp; Richard Schulte</u>	771 West Market Street	Troy	OH	45373	(937) 332-0088
Albany Farms Zanesville, LLC Andrew Thompson & <u>Richard Schulte</u>	2579 Maple Avenue	Zanesville	OH	43701	(740) 454-6555
5337, Inc. Lee Griffin	8228 E. 61st Street, Suite #116	Tulsa	OK	74133	(918) 254-6339
J.M. Folcarelli, LLC Mike Folcarelli	3415 New Pleasant Valley Blvd., Suite 52	Altoona	PA	16602	(814) 201-2281

<b>FRANCHISEE AND CONTACT PERSON</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
Atlee Farms, LLC Andrew Lile	2054 Sproul Road	Broomall	PA	19008	(610) 353-4000
Balogh Enterprises, LLC Jeff & Sherry Balogh	7200 Peach Street, Unit 120	Erie	PA	16509	(814) 403-5190
Bucks County Hams, LLC Maria Jordan & Phil Rivera	636 Lincoln Hwy	Fairless Hills	PA	19030	(215) 504-1900
Hamalot, Inc. Wayne Masoner	301 Byers Drive, Suite 17- 19 Concordville Town Centre	Glen Mills	PA	19342	(610) 358-3200
Oinky, LLC Wayne Masoner	132 Eagleview Blvd. Lionville Shopping Center	Lionville	PA	19353	(484) 879-4653
Endless Mt. Hams, LLC Kevin Sebring	709 Scranton Carbondale Highway Siniawa Plaza II	Scranton	PA	18508	(570) 348-0080
J.M. Folcarelli, LLC Mike Folcarelli	1724 S. Atherton Street	State College	PA	16801	(814) 272-4267
WGM Foods, Inc. Kevin Bentz, Scott Bentz & Daniel Fulton	3644 Welsh Road	Willow Grove	PA	19090	(215) 657-8720
<a href="#">Red House Connecticut, LLC</a> <a href="#">Thomas McGwire</a>	<a href="#">300 Quaker Lane, Suite 19</a>	<a href="#">Warwick</a>	<a href="#">RI</a>	<a href="#">02893</a>	<a href="#">(401)589-1090</a>
PNJ Desai, Inc. Jignesh Desai	1701 Whiskey Road	Aiken	SC	29803	(803) 649-6038
HPS Desai LLC Jignesh Desai	3188 North Main Street	Anderson	SC	29621	(864) 231-7097
L.P. White, Inc. Pete White	1060 Fording Island Road, Suite 504	Bluffton	SC	29910	(843) 815-7388
<a href="#">GEI Easley Inc.</a> <a href="#">James Mike Gelatt</a>	<a href="#">225 Rolling Hills Cir, Suite B</a>	<a href="#">Easley</a>	<a href="#">SC</a>	<a href="#">29640</a>	<a href="#">(864)442-5035</a>
Munn Enterprises, Inc. Rhett & Connie Munn	2151 West Evans Street	Florence	SC	29501	(843) 629-8899
Simba and Company, Inc. Jignesh Desai	420 Bypass 72 NW	Greenwood	SC	29649	(864) 388-0071
Grand Slam, Inc. Jeff Cisco	859 Houston Northcutt Blvd.	Mt. Pleasant	SC	29464	(843) 971-2000
SC Ham & Ham, Inc. Gary Hammond	3600-C Highway 17 South	North Myrtle Beach	SC	29582	(843) 497-2631
The Davis Restaurant Group, Inc.* Matt Davis	2349-61 Cherry Road	Rock Hill	SC	29732	(803) 326-1000
Poe Family Holdings, LLC Darren Poe	339 Harrison Bridge Rd, #339-B	Simpsonville	SC	29680	(864) 967-4267
Poe Family Holdings, LLC Daren Poe	807 North Pine Street	Spartanburg	SC	29303	(864) 585-4267
High Fly, Inc. Jeff Cisco & Mike Cisco	1305-A North Main Street	Summerville	SC	29483	(843) 832-0999
SC Ham & Ham, Inc. Gary Hammond	2300 Glens Bay Road	Surfside	SC	29575	(843)215-1511

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
Markelty, LLC Kelly & Mark Johnson	3515 W. 57th Street	Sioux Falls	SD	57108	(605) 362-6163
Glazed Animals II, LLC Kenneth Taylor	2720 Madison St., Suite C and D	Clarksville	TN	37043	(931)648-2024
Glazed Animals, <del>Inc.</del> <a href="#">LLC</a> Kenneth Taylor	4454 Frontage Road NW	Cleveland	TN	37312	(423) 476-0056
LGC Enterprises, LLC Brandon Cooper	541 S. Willow Avenue, Suite 108	Cookeville	TN	38501	(931) 520-4426
<del>Toon Enterprises, Inc.</del> <a href="#">6 Pigs, LLC</a> April & Barry Toon	841 Vann Drive	Jackson	TN	38305	(731) 664-8800
HAMITUP, Inc. Penny Fuller	3101 Browns Mill Rd	Johnson City	TN	37604	(423) 854-9414
John Midgett Enterprises, LLC John Midgett	1427 West Main Street	Lebanon	TN	37087	(615) 443-4267
<a href="#">DY ENTERPRISES II LLC</a> <a href="#">DeRon Jenkins</a>	<a href="#">870 Hwy 321</a>	<a href="#">Lenoir City</a>	<a href="#">TN</a>	<a href="#">37771</a>	<a href="#">(865)317-1117</a>
DJAK Hernon, Inc. Jennifer Hernon	1705 W Andrew Johnson Highway	Morristown	TN	37814	(423) 616-0700
<a href="#">John Midgett Enterprises, LLC</a> <a href="#">John Midgett</a>	<a href="#">1400 North Mount Juliet Road, Unit 105</a>	<a href="#">Mt. Juliet</a>	<a href="#">TN</a>	<a href="#">37122</a>	<a href="#">(615) 598-0809</a>
<del>Toon Enterprises, Inc.</del> <a href="#">6 Pigs, LLC</a> April & Barry Toon	Irongate Village Shopping Center 2345 Memorial Blvd.	Murfreesboro	TN	37129	(615) 893-4267
Gelatt Enterprises, Inc. Mike Gelatt & Tim Gelatt	870 Oak Ridge Turnpike	Oak Ridge	TN	37830	(865) 272-9411
Jadan Investments, LLC Danielle & Jamie Wallace	2740 Teaster Lane, Suite 121	Pigeon Forge	TN	37863	(865) 429-4267
<del>Kerry Giese</del> <a href="#">491 College Station LLC</a> <a href="#">Bill Smith</a>	3975 State Hwy 6	College Station	TX	77845	(979) 314-1229
Pierce Principle Foods Group, Inc. Les Pierce	1502 Airline Drive	Corpus Christi	TX	78412	(361) 991-4424
Irber Industries, Inc. Irma Curran	6600 North Mesa, Suite 304	El Paso	TX	79932	(915) 842-9934
Pierce Principle Foods Group, Inc. Les Pierce	201 B Hwy 332	Lake Jackson	TX	77566	(979) 299-7400
Pierce Principle Foods Group, Inc. Les Pierce	651 N. Business IH-35, Suite 1020	New Braunfels	TX	78130	(830) 214-2513
Hams Down, Inc. Kim & Alan Borough	2007 Plank Road	Fredericksburg	VA	22401	(540) 374-1405

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
<del>Carol's HBH Company</del> <del>Carol White</del> <a href="#">Smokehouse Investments, Inc.</a> <a href="#">Matthew Davis</a>	13149 Gateway Center Dr	Gainesville	VA	20155	(571) 261-2277
Carolina Restaurant Management Group, Inc. Matthew Davis & David Rose	182 Neff Avenue, Suite S5	Harrisonburg	VA	22801	(540) 434-5700
Loco's Best, LLC Tammi & Dan Ketterman & Tom & Elizabeth Whitting	214 Catoctin Circle, SE	Leesburg	VA	20175	(866) 328-4267
L&L 2224, LLC Tom Phillips	3700 Candler's Mtn. Rd.	Lynchburg	VA	24502	(434) 846-4267
Y and W, Inc. Yong & Wan Cho	12551 Jefferson Avenue, Suite 103	Newport News	VA	23602	(757) 988-1888
Ham It Up, Inc. Frank Guilfoyle	2626 Broadway Avenue	Roanoke	VA	24014	(540) 857-4267
Y and W S, Inc. Yong & Wan Cho	4801 Virginia Beach Blvd	Virginia Beach	VA	23462	(757) 486-5045
Carolina Restaurant Management Group, Inc. Matt Davis & David Rose	25 Weems Lane	Winchester	VA	22601	(540) 535-0060
Hams Down, Inc. Kim & Alan Borough	2950 Prince William Pkwy.	Woodbridge	VA	22192	(703) 910-4196
Terrell Enterprises, LLC Vivian Terrell	731 N. Columbia Center Blvd., #122	Kennewick	WA	99336	(509) 579-5855
HoneyGals, Inc. Susie Stapley	3711 South Meridian	Puyallup	WA	98373	(253) 446-4300
Honey N Ham, Inc. Jeff & Shawna Miller	13910 E. Indiana Avenue, Suite B	Spokane Valley	WA	99216	(509) 244-4267
JORDZACAMO, LLC Toni Locy	2913 South 38th Street	Tacoma	WA	98409	(253) 472-4267
HAM-SMITH, LLC Steven Smith	1000 W. Wisconsin Ave., Suite 12 Bell Heights	Appleton	WI	54914	(920) 882-4150
D-TECA Group, LLC Dan & Tori Wheelock	933 Anderson Drive, Suite A-B	Green Bay	WI	54304	(920) 592-9995
Brentmoor Hams of WI, LLC Richard & Diana Neuenschwander	817 North Mayfair Road	Milwaukee	WI	53226	(414) 258-1145
JTEK, Inc. Jeff & Toni Madden	6007 US Route 60 East, Suite 222	Barboursville	WV	25504	(304) 733-4266
DanDee Enterprises, Inc. Daniel & Denise Clagg	27 By-Pass Plaza Shopping Center	Beckley	WV	25801	(304) 253-3321
Carolina Restaurant Management Group, Inc. Matt Davis & David Rose	2834 Mountaineer Blvd. Southridge Center	Charleston	WV	25309	(304) 746-3900

FRANCHISEE AND CONTACT PERSON	STREET ADDRESS	CITY	ST	ZIP	PHONE
Carolina Restaurant Management Group, Inc. Matt Davis & David Rose	514 Emily Drive	Clarksburg	WV	26301	(304) 626-3600
<del>Carolina Restaurant Management Group, Inc. Matt Davis &amp; David Rose</del>	<del>56 Nitro Market Place</del>	<del>Cross Lanes</del>	<del>WV</del>	<del>25313</del>	<del>(304) 776-0900</del>
Carolina Restaurant Management Group, Inc. Matt Davis & David Rose	841 Venture Drive	Morgantown	WV	26505	(304) 291-2400
Albany Farms Parkersburg, LLC Andrew Thompson and Jerry Merritt & Richard Schulte	202 Lakeview Center	Parkersburg	WV	26104	(304) 422-0600

\* Developers

FRANCHISED SEASONAL STORE LIST AS OF SEPTEMBER 28, 2025

<u>FRANCHISEE AND CONTACT PERSON</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>ST</u>	<u>ZIP</u>	<u>PHONE</u>
<u>Jackie Barton</u>	<u>1231 Birch Road</u>	<u>Camp Lejeune</u>	<u>NC</u>	<u>28547</u>	<u>910-449-8571</u>
<u>Rhett Munn</u>	<u>661 Bultman Drive</u>	<u>Sumter</u>	<u>SC</u>	<u>29150</u>	<u>470-231-0435</u>
<u>Louis Schmidt</u>	<u>56057 Van dyke Road</u>	<u>Shelby Township</u>	<u>MI</u>	<u>48316</u>	<u>586-566-4700</u>
<u>Louis Schmidt</u>	<u>9815 Village Place Blvd.</u>	<u>Brighton</u>	<u>MI</u>	<u>48116</u>	<u>734-677-8500</u>

**LIST OF FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS  
AND STORES ARE NOT YET OPEN**  
(as of September ~~29, 2024~~ 28, 2025)

FRANCHISEE AND CONTACT PERSON	CITY	STATE	PHONE
<del>Alabama Hams</del> <u>Gaghagen Foods, LLC</u> <del>Andy Michael</del> <u>Gaghagen</u>	<del>Decatur</del> <u>Cullman</u>	AL	<u>(256-) 689-2118</u>
<u>CeCe Wilburn LLC</u> <u>Leslie Baker and Fred Vennie</u>	<u>Sherman Oaks</u>	<u>CA</u>	<u>(818)522-1555</u>
<del>Georggi's Tasty Foods, Inc.</del> <u>LLC</u> <del>Amgad Georgi</del> <u>Suze Philizaire</u>	<del>Clermont</del> <u>Davie</u>	FL	<u>813-841-7006(954)</u> <u>888-4776</u>
<del>Carolina Restaurant Management Group, Inc.</del> <del>Matt Davis</del> <u>SWFL HAM, LLC</u> <u>Craig Marcum</u>	<del>Hagerstown</del> <u>Venice</u>	<del>MD</del> <u>FL</u>	<u>704-865-0192(941)408-4102</u>
The Davis Restaurant Group, Inc.	<del>Rochester</del> <u>Woodbury</u>	MN	<u>(704-865-0192) 689-2718</u>

FRANCHISEE AND CONTACT PERSON	CITY	STATE	PHONE
Matt Davis			
<del>Red House Connecticut, LLC</del> Thomas McGwire	Warwick	RI	203-627-3361
<del>John Midgett Enterprises, LLC</del> John Midgett	Mt. Juliet	TN	615-598-0809

**LIST OF FRANCHISEES ~~THAT~~ WHOSE FRANCHISED STORES WERE  
CLOSED, TERMINATED, OR TRANSFERRED  
A STORE OR LEFT THE SYSTEM**

(during our last fiscal year)

Name	Address	Current Business Phone Number or Last Known Home Phone Number
<del>Dunlap Corporation</del> Carole & Mike Dunlap	2464 US HIGHWAY 6 & 50 Suite 112 Grand Junction, CO 81505	(970) 243-5522
<del>Tasty Foods, LLC</del> Suze Philizaire	345 Bill France Blvd. Daytona Beach, FL 32114	(954) 888-4776
<del>HBH Wild</del> <u>TBHR Unlimited, Inc.</u> <del>Donnie Covey and Jim Salerno</del> <u>Tom Smith</u>	2709 SW 27th <u>2001 E. Nettleton Ave,</u> Unit 101, <del>Ocala, FL 34471</del> <u>Jonesboro, AR 72401</u>	(407) 463-3505 <u>(870)</u> <u>219-1605</u>
<del>DDD Hams, Inc.</del> Dennis D. Demshar	1519 Capital Circle, NE Tallahassee, FL 32308	(386) 585-5505
<del>Southwind Foods, Inc.</del> Scott Bower	420 Ridgemoor Pass Canton, GA 30115	678-427-1903
<del>Hambone</del> <u>B&amp;W Enterprises Group, LLC</u> <del>Kurtis Kemmer</del> <u>Melissa Beckford</u>	3540 State Road, 38 E, Suite 302 <del>Lafayette, IN 47905</del> <u>272 SR 312</u> <u>Riverside Centre</u> <u>St. Augustine, FL 32086</u>	(765) 449-1223 <u>(304)</u> <u>610-9940</u>
<del>TeBo Foods, Inc.</del> Bobby Fortner <u>and Terri Fortner</u>	808 McIntosh Circle <del>Hayes, NC 28904</del> <u>1000 Tanger Drive,</u> Suite 315 <u>Locust Grove, GA 30248</u>	(404) 277-9097 <u>(770) 898-</u> <u>0703</u>
<del>Antonious</del> <u>6 Pigs, LLC</u> <del>Nader Botros</del> <u>April &amp; Barry Toon</u>	2117 S. Glenburnie Road <del>New Bern, NC 28562</del> <u>115 Lake Ridge</u> Dr. <u>Macon, GA 31220</u>	(252) 631-5125 <u>(478) 474-</u> <u>2369</u>
<del>Oink Inc.</del> John Early	808 North Hwy 190, Suite H Covington, LA 70433	(985) 264-7455
<del>Patriot</del> <u>WGM Foods LLC, Inc.</u> <del>Keith Visone</del> <u>Kevin Bentz</u>	770898 N. Route 35 South <u>73</u> <del>Middletown</del> <u>Marlton, NJ 07748</u> <u>08053</u>	(732) 842-1115 <u>(702) 326-</u> <u>1132</u>

Name	Address	Current Business Phone Number or Last Known Home Phone Number
<a href="#">Kery Geise, individually</a>	<a href="#">3975 State Hwy 6 College Station, TX 77845</a>	<a href="#">(979) 415-5100</a>
<del>Carol's HBH of Portland, Inc. Company</del> <del>Paul Carol White</del>	<del>17403 Brookhurst Drive, Lake Oswego, OR 97034</del> <a href="#">13149 Gateway Center Dr. Gainesville, VA 20155</a>	<del>(503) 516-5270</del> <a href="#">(571) 261- 2277</a>
<del>Ham &amp; Ham NC, Inc. Gary Hammond</del>	<del>3600 Hwy 17 South, #1 Myrtle Beach, SC 29582</del>	<del>(828) 279-7777</del>
<del>Sluder Carolina Restaurant Management, LLC Group Inc.</del> <del>Patricia Sluder Matt Davis</del>	<del>4454 Frontage Road NW Cleveland, TN 37312</del> <a href="#">56 Nitro Market Place Cross Lanes, WV 25313</a>	<del>(423) 650-9472</del> <a href="#">(304) 776-0900</a>
<del>Little Hamily Enterprises, LLC Rod Little</del>	<del>126 Willow Drive Dayton, VA 22821</del>	<del>(540) 405-9041</del>
<del>Sweet Cameo, LLC Michael Sweet</del>	<del>2605 Villa Drive Parkersburg, WV 26101</del>	<del>(304) 580-6315</del>

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

**EXHIBIT K**  
**FINANCIAL STATEMENTS**

# **The HBH Franchise Company, LLC**

## **Financial Statements**

**September 28, 2025, September 29, 2024,  
and September 24, 2023**

# The HBH Franchise Company, LLC

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September 28, 2025, September 29, 2024, and September 24, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The HBH Franchise Company, LLC

### **Opinion**

We have audited the accompanying financial statements of The HBH Franchise Company, LLC (the Company), which comprise the balance sheets as of September 28, 2025, September 29, 2024, and September 24, 2023 and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The HBH Franchise Company, LLC as of September 28, 2025, September 29, 2024, and September 24, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Company'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 Company'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 Company'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.

*Windham Brannon, LLC*

January 5, 2026

# The HBH Franchise Company, LLC

## Balance Sheets

September 28, 2025, September 29, 2024, and September 24, 2023

	2025	2024	2023
	<i>(in Thousands)</i>		
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 65	\$ 30	\$ 674
Franchisee receivables, net	1,211	1,308	2,103
Accounts receivable, related parties	45,363	43,165	39,299
Prepaid and other assets	165	279	286
<b>Total current assets</b>	<b>46,804</b>	<b>44,782</b>	<b>42,362</b>
Property and equipment, net	82	126	1
Goodwill, net	2,506	2,869	5,073
Other intangible assets, net	3,133	3,332	3,530
Other assets	114	-	-
<b>Total assets</b>	<b>\$ 52,639</b>	<b>\$ 51,109</b>	<b>\$ 50,966</b>
<b>Liabilities and member's equity</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 194	\$ 54	\$ 99
Accounts payable, related parties	185	185	188
Accrued expenses	583	529	284
Deferred revenue, current portion	481	445	452
<b>Total current liabilities</b>	<b>1,443</b>	<b>1,213</b>	<b>1,023</b>
Deferred revenue, less current portion	756	762	862
<b>Total liabilities</b>	<b>2,199</b>	<b>1,975</b>	<b>1,885</b>
<b>Member's equity</b>	<b>50,440</b>	<b>49,134</b>	<b>49,081</b>
<b>Total liabilities and member's equity</b>	<b>\$ 52,639</b>	<b>\$ 51,109</b>	<b>\$ 50,966</b>

# The HBH Franchise Company, LLC

## Statements of Income

For the Years Ended

September 28, 2025, September 29, 2024, and September 24, 2023

	2025	2024	2023
	<i>(in Thousands)</i>		
<b>Royalties, advertising, and technology fees, net</b>	\$ 18,655	\$ 19,074	\$ 18,228
<b>Product sales to franchisees, net</b>	2,862	2,623	2,781
<b>Franchise fees, net</b>	296	315	320
<b>Other</b>	-	175	-
<b>Total revenues</b>	<b>21,813</b>	<b>22,187</b>	<b>21,329</b>
<b>Operating expenses</b>			
Selling, general, and administrative	19,894	19,703	16,922
Amortization (See Note 6)	561	2,401	2,424
Depreciation	49	9	2
<b>Total operating expenses</b>	<b>20,504</b>	<b>22,113</b>	<b>19,348</b>
<b>Income from operations</b>	<b>1,309</b>	<b>74</b>	<b>1,981</b>
<b>Less other expense, net</b>	<b>3</b>	<b>21</b>	<b>32</b>
<b>Net income</b>	<b>\$ 1,306</b>	<b>\$ 53</b>	<b>\$ 1,949</b>

# The HBH Franchise Company, LLC

## Statements of Member's Equity

For the Years Ended

**September 28, 2025, September 29, 2024, and September 24, 2023**

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	<i>(in Thousands)</i>
Balance, September 25, 2022	\$ 45,932
Contribution (see Note 3)	1,200
Net income	1,949
<hr/>	
Balance, September 24, 2023	49,081
Net income	53
<hr/>	
Balance, September 29, 2024	49,134
Net income	1,306
<hr/>	
<b>Balance, September 28, 2025</b>	<b>\$ 50,440</b>

# The HBH Franchise Company, LLC

## Statements of Cash Flows

For the Years Ended

September 28, 2025, September 29, 2024, and September 24, 2023

	2025	2024	2023
	<i>(in Thousands)</i>		
<b>Cash flows from operating activities</b>			
Net income	\$ 1,306	\$ 53	\$ 1,949
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	610	2,410	2,426
Provision for credit losses	30	195	46
Changes in operating assets and liabilities:			
Franchisee receivables	67	600	(832)
Accounts receivable and payable, related party	(2,198)	(3,869)	(3,503)
Prepaid and other assets	114	7	(70)
Other assets	(114)	-	-
Accounts payable	140	(45)	(251)
Deferred revenue	30	(107)	218
Accrued expenses	55	246	(110)
<b>Net cash provided by (used in) operating activities</b>	<b>40</b>	<b>(510)</b>	<b>(127)</b>
<b>Cash flows from investing activities</b>			
Capital expenditures	(5)	(134)	-
<b>Net cash used in investing activities</b>	<b>(5)</b>	<b>(134)</b>	<b>-</b>
<b>Net change in cash</b>	<b>35</b>	<b>(644)</b>	<b>(127)</b>
<b>Cash at beginning of year</b>	<b>30</b>	<b>674</b>	<b>801</b>
<b>Cash at end of year</b>	<b>\$ 65</b>	<b>\$ 30</b>	<b>\$ 674</b>

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

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### 1. Organization and Nature of Business

The HBH Franchise Company, LLC (the Company) was organized on July 8, 1998 primarily for the purpose of owning and operating the “HoneyBaked Ham” franchise business. The Company is wholly-owned by The Franchise Holding Company, LLC (Holding or Member). The Franchise Holding Company, LLC is wholly-owned by The Honey Baked Ham Company, LLC (HBHC). HoneyBaked Ham stores engage in the operation of selling spiral-sliced glazed hams and related products. As the franchisor, the Company has the right to grant franchises under the HoneyBaked Ham name and related trademarks through several license agreements. The Company holds the right to grant franchises in all 50 states and the District of Columbia.

The following summarizes the number of franchise locations open during fiscal years 2025, 2024, and 2023:

	2025	2024	2023
Franchises open at beginning of year	208	209	215
Openings	8	5	3
Closures	(1)	(4)	(4)
Transfer to Company-owned stores, net (see Note 5)	(3)	(2)	(5)
<b>Franchises open at end of year</b>	<b>212</b>	<b>208</b>	<b>209</b>

Franchisees of the Company are generally limited to delivering to and serving customers in their territories, as defined in the franchise agreements. The Company acts as the administrator for the franchise system’s national advertising fund, into which each franchisee pays a specified percentage of its monthly net sales. Franchisees also must expend a specified percentage of their net sales for local advertising. Upon termination of a franchise agreement, the Company has the option, but not the obligation, to purchase the assets of the store at fair market value, as agreed upon by the parties, or if they cannot agree, as determined by an appraiser.

Subsequent to the fiscal year end, on September 29, 2025 the HBHC entered into a Purchase and Sale Agreement with HBH Buyer LLC (Buyer) to acquire HBHC from Hoenselaar Family Holdco, LLC and its equity owners (the Transaction). Upon close of the Transaction, the Buyer purchased a majority interest in HBHC. The initial accounting for the business combination is not complete as of the report date. As such, certain disclosures regarding the Transaction, such as the purchase price allocation, have not been included herein.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

These statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

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### Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure 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.

### Fiscal Year

The Company's fiscal year ends on the last Sunday in September. The years ended September 28, 2025, September 29, 2024, and September 24, 2023 contained 52, 53, and 52 weeks, respectively. All references herein to "2025", "2024", and "2023" represent the respective fiscal years then ended.

### Revenue Recognition

The Company's revenues consist of royalties, advertising, and technology fees from franchised stores, product sales to franchisees, and franchise fees.

In accordance with Accounting Standard Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606), the amount of revenue recognized for any goods or services reflects the consideration that the Company expects to be entitled to receive in exchange for these goods or services. To achieve this core principle, the Company applies the following five-step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when or as a performance obligation is satisfied (over time or at a point in time). Revenues are recognized when 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.

Royalties and advertising fees from franchised stores are recognized at a point in time when the related franchisee retail sale occurs. Royalty rates generally range from 5.5% to 6% of monthly net sales of the franchise. Advertising fees range from 2% to 3.25% of the unit's net sales. Franchised locations acquired in the September 1, 2022 transaction (see Note 3) paid advertising expenses based on actual amounts incurred until July 2023 when they transitioned to incurring advertising fees at 3.25% of the unit's net sales.

Technology fees from franchised stores are recognized at a point in time, as the services are rendered. Annual technology fees range from \$2,300 to \$3,700. The Company acts as a purchasing agent on behalf of the franchisees for certain cyber-related technology services with a third-party. The Company bills the franchisees at cost. In accordance with GAAP, the Company records this cyber-specific technology revenue on a net basis. Franchised locations acquired in the September 1, 2022 transaction (see Note 3) were not charged technology fees until October 2023 when the Company began charging these locations.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

**September 28, 2025, September 29, 2024, and September 24, 2023**

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Product sales to franchisees are recognized at a point in time, when goods are shipped, and relate to inventory purchased by franchisees through the Company. The Company acts as a purchasing agent on behalf of the franchisee. The Company bills the franchisee at cost plus a fixed mark-up. The Company records this revenue on a net basis. Product sales to franchisees totaled \$2,862,000, \$2,623,000, and \$2,781,000 for the years ended 2025, 2024, and 2023, respectively. For product sales to franchisees, the Company does not adjust the promised amount of consideration for the effects of a significant financing component when, at contract inception, the Company expects that the period between transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Additionally, the Company does not typically include extended payment terms in contracts with customers.

Initial, renewal, transfer, and area development franchise fees are recognized over time, as the Company satisfies the performance obligations set forth in the respective agreements, over the terms stated in the agreements, generally 10 years from when the agreements are executed. During 2025, 2024, and 2023, the Company recognized \$296,000, \$315,000, and \$320,000, respectively, of revenue related to franchisee fees.

Initial, renewal, transfer, and area development franchise fees are typically fixed and collected upfront, unless specifically stated otherwise in the agreement. The Company does not consider the advance payment to include a significant financing component, as it is used to protect the Company from the franchise owner failing to adequately complete some or all of its obligations under the terms of the franchise agreement contract. Franchise fees received for which these conditions have not been met are recorded as deferred revenue in the accompanying balance sheets.

During 2025, the Company introduced a new incentive program to drive franchisee growth. Under this program, the Company may provide cash incentives to franchisees in connection with store openings. The program provides a reimbursement of certain grand opening marketing expenses, which are expensed as incurred. The program also includes a cash payment to the franchisee upon the store opening, which helps to cover costs like site improvements, equipment, and aesthetic appeal of the location. This cash payment is contingent on the store operating for a certain number of years, as defined in the respective agreements. Generally, if the store closes prior to the expiration of the term, the cash payment is required to be repaid to the Company, pro-rata based on the number of years remaining in the agreement. These assets are being amortized as a reduction in franchise fee revenues over the term of the agreements to which the payment relates and are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of these incentive assets may not be recoverable. Management did not identify any conditions that would suggest an impairment of the franchisee incentive assets during the year ended 2025. Capitalized franchise incentives under the program of \$13,000 and \$114,000 are recorded in prepaid and other assets and other assets, respectively, on the accompanying balance sheet as of September 28, 2025. The Company amortized \$3,000 of incentives as a reduction of franchise fee revenue during the year ended September 28, 2025.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

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### Advertising Fund

The Company collects advertising fees from each franchised unit currently ranging from 2% to 3.25% of the unit's net sales. Franchisee locations in California began participating in the advertising fund in July 2023 at a rate of 3.25% of the unit's net sales, and previously were paying advertising expenses based on actual incurred amounts. For any new franchisee contracts signed, the required minimum contribution to the ad fund is 3.25%. These fees are expended for various advertising programs and support activities. Advertising fees in excess of expenditures are recorded in accrued expenses, to be offset by future expenditures. Although rare, advertising expenditures in excess of advertising fees are recorded as prepaid expenses. Franchisees contributed \$6,216,000, \$6,292,000, and \$5,599,000, respectively, to the advertising fund in 2025, 2024, and 2023. The contributions are recorded in royalties, advertising, and technology fees, net in the accompanying statements of income. Total expenditures paid from the advertising fund during 2025, 2024, and 2023 were \$6,149,000, \$6,053,000, and \$6,012,000, respectively. Advertising fees in excess of expenditures, recorded in accrued expenses, were \$357,000, \$290,000, and \$51,000 as of the years ended 2025, 2024, and 2023, respectively. These excess funds are timing related and typically spent in the following period.

### Franchisee Receivables and Allowance for Credit Losses

Franchisee receivables relate primarily to royalties, advertising, technology fees, and product sales due from franchisees.

The Company performs an assessment of franchise receivables and identifies pools of similar assets within the receivable portfolio, based on the Company's historical loss information. The Company's pools are classified by aging category of the Company's outstanding receivable balances. The risk characteristics of the receivables in each aging pool include similar payment terms, historical and expected credit loss patterns, and internal risk ratings. The Company estimates expected credit losses by assuming that current conditions as of the balance sheet date remain unchanged for the remaining life of these assets, thereby simplifying the estimation process for these short-term assets and assess collection activity occurring after the balance sheet date when estimating expected credit losses. The Company continues to consider customer-specific and company-specific information that could affect collectability, and when a receivable no longer shares risk characteristics with other assets in the pool, the receivable is evaluated individually. The Company does not charge interest or require collateral to secure its receivables. An allowance for expected credit losses is established based on qualitative and quantitative factors, including the Company's historical collection experience and specific allowances for known troubled accounts. The allowance for expected credit losses is determined based on the amount the Company expects to collect over the life of the receivable.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

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### Accounts Receivable and Payable, Related Parties

In the normal course of business, the Company has accounts receivable and payable for services with related parties. The balances do not have specified terms or conditions for repayment, and interest income or expense has not been accrued or received.

### Property and Equipment

Property and equipment is stated at cost. Depreciation expense is calculated over the estimated useful lives of the related assets (five to seven years) using the straight-line method. Management regularly performs reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets may not be recoverable or that the useful life is shorter than originally estimated. Depreciation expense was \$49,000, \$9,000, and \$2,000 for the years ended 2025, 2024, and 2023, respectively.

### Goodwill and Other Intangible Assets

Goodwill consists of the excess of cost over fair value of businesses acquired. The Company has elected the accounting alternative for goodwill available to private companies under ASC 350-20, whereby, the Company is amortizing goodwill on a straight-line basis over a ten-year period. The Company evaluates goodwill for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test to compare the entity's estimated fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value.

Management did not identify any conditions that would suggest an impairment of goodwill exists in 2025, 2024, and 2023. Amortization expense related to goodwill for the years ended 2025, 2024, and 2023 was \$362,000, \$2,204,000, and \$2,214,000, respectively.

Intangible assets consist of franchise rights and trademarks. Franchise rights are being amortized using the straight-line method over twenty-six to thirty years. Trademarks are being amortized using the straight-line method over thirty years. Amortization expense related to intangible assets for years ended 2025, 2024, and 2023 was \$199,000, \$197,000, and \$210,000, respectively.

### Business Acquisitions and Common Control Transactions

Business acquisitions are accounted for in accordance with ASC Topic 805, *Business Combinations* (ASC 805). The Company allocates the purchase price (consideration transferred)

# The HBH Franchise Company, LLC

## Notes to Financial Statements

**September 28, 2025, September 29, 2024, and September 24, 2023**

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to the fair value of assets acquired and liabilities assumed at the acquisition date. Goodwill is recognized as the excess of the purchase price over the fair value of net assets of the business acquired. Due to the time required to gather and analyze the necessary data for each acquisition, ASC 805 provides a “measurement period” of up to one year in which to finalize these fair value determinations. During the measurement period, the Company may finalize their determination of fair value and record any adjustments through goodwill. Once the purchase price allocation is finalized, any subsequent adjustments are recorded to income or expense, as appropriate.

Business units transferred in common control transactions are accounted for under ASC 805. The carrying value of the goodwill contributed as a result of the acquisition on September 1, 2022 (see Note 3), was based on the relative enterprise fair values and the fair values of the assets transferred.

### **Advertising**

The Company expenses production costs of print, radio, television, and other advertisements as of the first date the advertisements take place. All other marketing expenditures are expensed in the annual period in which the expenditure is incurred. The Company incurs certain advertising costs not paid through the advertising fund. Such expenses amounted to \$248,000, \$373,000, and \$0 for the years ended 2025, 2024, and 2023 respectively.

### **Income Taxes**

The Company is organized as a single-member limited liability company and is treated as a disregarded entity for income tax reporting purposes. As a result, HBHC includes taxable income of the Company in its tax return. For states which do not recognize a single member limited liability company, the Company may provide a provision if deemed significant. Income taxes are recorded in other expense, net in the statements of income.

Management of the Company considers the likelihood of changes by taxing authorities in its income tax returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements. The Company’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

### **Financial Instruments and Concentrations**

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of franchisee receivables.

Franchisee receivables are unsecured, and the Company is at risk to the extent such amounts become uncollectible. For the years ended 2025, 2024, and 2023, no franchisee location or operator accounted for more than 10% of net revenues or of franchisee receivables.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

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### Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 5, 2026, which is the date the financial statements were available to be issued.

### 3. Acquisition

On September 1, 2022, HBHC, through its subsidiary HBH California, LLC, acquired certain assets and assumed certain liabilities of Honey Baked Ham, Inc. and R.J. Kali Corp. (the “Acquisition”). Prior to the Acquisition, Honey Baked Ham, Inc. operated 23 and sub-franchised 12 HoneyBaked Ham stores in California as a licensee of HBHC. As part of the transaction, three sub-franchised stores became company-owned, and the remaining nine sub-franchised stores and related assets were contributed to the Company through member’s equity.

At the acquisition date, provisional amounts of \$1,200,000 were assigned to intangible assets related to the sub-franchise agreements of the nine stores, and \$2,424,000 to goodwill. The initial accounting for the acquisition was provisional as of September 25, 2022, pending finalization of the valuation of the sub-franchise agreements. During the measurement period in 2023, HBHC finalized its estimates, resulting in an increase in goodwill of \$1,200,000, which was contributed to the Company through member’s equity in 2023.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

### 4. Disaggregation of Revenue

Revenues recognized under ASC 606 and disaggregated by timing of revenue recognition consist of the following:

	<b>September 28, 2025</b>	September 29, 2024	September 24, 2023
<i>(in Thousands)</i>			
<b>Revenues recognized over time:</b>			
Area development fees	\$ 21	\$ 15	\$ 51
Initial, renewal, and transfer franchise fees	275	300	269
	<b>296</b>	315	320
<b>Revenues recognized at a point in time:</b>			
Royalties and advertising fees	17,930	18,398	17,608
Product sales to franchisees	2,862	2,623	2,781
Technology fees	725	676	620
Other	-	175	-
	<b>21,517</b>	21,872	21,009
<b>Total</b>	<b>\$ 21,813</b>	\$ 22,187	\$ 21,329

Revenue reported as “other” includes non-recurring income that is not in the normal course of business but is related to contracts with customers and is recognized at a point in time. Contract liabilities include franchise fees received for initial, renewal, transfer, and area development fees and advertising fees in excess of expenditures and primarily represent the Company’s remaining performance obligations under its franchise agreements for which consideration has been received. Contract liabilities related to franchise fees are recognized on a straight-line basis over the remaining term of the related agreement and are included in deferred revenue in the balance sheets. Advertising fees in excess of expenditures are recognized as future expenditures are incurred and are included in accrued expenses in the balance sheets. Contract liabilities consist of the following:

	<b>September 28, 2025</b>	September 29, 2024	September 24, 2023
<i>(in Thousands)</i>			
Advertising fees in excess of expenditures	\$ 357	\$ 290	\$ 51
Deferred revenue:			
Current	481	445	452
Long-term	756	762	862
<b>Total</b>	<b>\$ 1,594</b>	\$ 1,497	\$ 1,365

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

Contract assets and contract liabilities at September 25, 2022 totaled \$1,317,000 and \$1,351,000, respectively. Economic factors, such as type of customer, geographic location of a franchise, or type of product sold, are considered and determined to have an immaterial impact on the nature, timing, and uncertainty of revenue recognition and cash flows.

### 5. Related Party Transactions

In the normal course of business, the Company has accounts receivable and payable for services provided with the following related parties. These balances consist of the following:

	September 28, 2025	September 29, 2024	September 24, 2023
	<i>(in Thousands)</i>		
Accounts receivable, related parties:			
The Honey Baked Ham Company, LLC	\$ 45,195	\$ 42,997	\$ 39,131
HBH Gifting Company, LLC	168	168	168
<b>Total</b>	<b>\$ 45,363</b>	<b>\$ 43,165</b>	<b>\$ 39,299</b>
Accounts payable, related parties:			
The HH Franchise Company, LLC	\$ (65)	\$ (65)	\$ (68)
The Franchise Holding Company, LLC	(120)	(120)	(120)
<b>Total</b>	<b>\$ (185)</b>	<b>\$ (185)</b>	<b>\$ (188)</b>

Once posted by the financial institution, as soon as administratively possible, all cash is transferred and held in HBHC bank accounts and tracked separately. HBHC incurs and pays expenses on behalf of the related parties and other legal entities within its financial statements. These expenses are for overhead and general administrative tasks that directly benefit the other legal entities and include, but are not limited to, personnel in the following departments: Accounting/Finance, Building Services, Human Resources, Information Technology, Marketing, and Supply Chain. The Company was charged \$9,706,000, \$8,703,000, and \$7,402,000, respectively, by HBHC for the years ended 2025, 2024, and 2023 for various general and administrative services.

During 2023, three franchisees sold 5 store locations, in unrelated transactions, to HBHC.

During 2024, two franchisees sold 4 store locations, in unrelated transactions, to HBHC.

During 2024, HBHC sold two Company-owned stores to a franchisee owner who is also a family member of an owner of HBHC. Initial franchise fees were waived for each location.

During 2025, three franchisees sold 3 store locations, in unrelated transactions, to HBHC.

# The HBH Franchise Company, LLC

## Notes to Financial Statements September 28, 2025, September 29, 2024, and September 24, 2023

### 6. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of the following:

	September 28, 2025	September 29, 2024	September 24, 2023
	<i>(in Thousands)</i>		
Goodwill	\$ 3,624	\$ 22,042	\$ 22,042
Franchise rights	5,466	5,466	5,466
Trademarks	382	382	382
	<b>9,472</b>	27,890	27,890
Less accumulated amortization related to:			
Goodwill	(1,118)	(19,173)	(16,969)
Franchise rights	(2,494)	(2,308)	(2,123)
Trademarks	(221)	(208)	(195)
<b>Total</b>	<b>\$ 5,639</b>	<b>\$ 6,201</b>	<b>\$ 8,603</b>

During the year ended September 28, 2025, fully amortized goodwill and the related accumulated amortization in the amounts of \$18,418,000 were written off. Goodwill related to other acquisitions remains subject to amortization and is reflected in the Company's balance sheet as of September 28, 2025.

The changes in the carrying amount of goodwill for the years ended September 28, 2025, September 29, 2024, and September 24, 2023 were as follows:

Balance, September 25, 2022	\$ 6,087
Goodwill measurement period adjustments	1,200
Amortization	(2,214)
Balance, September 24, 2023	5,073
Amortization	(2,204)
Balance, September 29, 2024	2,869
Amortization	(363)
<b>Balance, September 28, 2025</b>	<b>\$ 2,506</b>

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

Amortization expense for goodwill, franchise rights, and trademarks over the next five years is estimated to be as follows for the periods ending:

Fiscal Year	Goodwill Amortization	Franchise Rights Amortization	Trademarks Amortization
	<i>(in Thousands)</i>		
2026	\$ 362	\$ 186	\$ 13
2027	362	186	13
2028	362	186	13
2029	362	186	13
2030	362	186	13

### 7. Franchisee Receivables

Amounts due from franchisees are as follows:

	September 28, 2025	September 29, 2024	September 24, 2023
	<i>(in Thousands)</i>		
Product purchases, net of allowance for credit losses of \$46, \$79, and \$27, respectively	\$ 533	\$ 540	\$ 997
Royalties, advertising, and technology fees	537	714	570
Other reimbursable costs	141	54	536
<b>Total</b>	<b>\$ 1,211</b>	<b>\$ 1,308</b>	<b>\$ 2,103</b>

The activity within the Company's allowance for credit losses in franchisee receivables for the years ended September 28, 2025, September 29, 2024, and September 24, 2023 is as follows:

	2025	2024	2023
Balance at beginning of year	\$ 79,000	\$ 27,000	\$ 15,000
Add/(Deduct):			
Provision for expected credit losses	30,000	195,000	46,000
Net write-offs and recoveries	(63,000)	(143,000)	(34,000)
Balance at end of year	\$ 46,000	\$ 79,000	\$ 27,000

# The HBH Franchise Company, LLC

## Notes to Financial Statements

September 28, 2025, September 29, 2024, and September 24, 2023

### 8. Property and Equipment

Property and equipment consist of the following:

	September 28, 2025	September 29, 2024	September 24, 2023
	<i>(in Thousands)</i>		
Equipment	\$ 19	\$ 19	\$ 10
Furniture and fixtures	3	3	3
Software	242	237	112
	264	259	125
Less: Accumulated depreciation	(182)	(133)	(124)
<b>Total</b>	<b>\$ 82</b>	<b>\$ 126</b>	<b>\$ 1</b>

### 9. Retirement Plan

The Company participates in a retirement savings plan (the Plan) offered by an affiliate company, HBHC, under Section 401(k) of the Internal Revenue Code. The Plan allows all employees, other than those classified as seasonal, to participate in the Plan upon obtaining six months of service and the attainment of age 18. Employees classified as seasonal are eligible to participate in the Plan upon attainment of age 21 and completion of 1,000 hours of service during the Plan year. The Plan operates under a Safe Harbor provision whereby participants in the Plan receive a non-elective employer matching contribution of 100% of the first 3% of compensation contributed to the Plan and 50% of the next 2% of compensation contributed to the Plan. The Company's matching portion under the Plan totaled \$25,000, \$37,000, and \$30,000 for the years ended 2025, 2024, and 2023, respectively.

### 10. Commitments and Contingencies

#### Credit Facilities

The Company guarantees a revolving credit agreement between HBHC and a bank that, as amended, provides for borrowings of up to \$65,000,000 from June through December and \$30,000,000 from January through May until the maturity date of June 30, 2027. The borrowing limit from June through December was increased to \$80,000,000 with an amendment, effective August 23, 2024. The revolving credit agreement also allows for an additional accordion borrowing of up to \$20,000,000. On November 3, 2023, HBHC notified the bank of its request for a draw on the accordion borrowing in an aggregate principal amount equal to \$10,000,000 until December 31, 2023, which was subsequently approved by the lender. The Company did not draw upon the accordion during fiscal years 2025 or 2023. The outstanding and guaranteed amounts as of the years ended 2025, 2024, and 2023 were \$47,086,000, \$50,540,000, and \$40,233,000, respectively.

# The HBH Franchise Company, LLC

## Notes to Financial Statements

**September 28, 2025, September 29, 2024, and September 24, 2023**

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Subsequent to year end, on September 29, 2025 and in connection with the acquisition of HBHC discussed in Note 1, HBHC, through a newly created holding company, entered into a credit agreement with a new financial institution and repaid the outstanding balance on existing credit facility. The Company is a guarantor for the new credit agreement, which provides for a revolving loan facility and an initial term loan. These facilities are subject to customary terms, conditions, and fees.

### **Legal Matters**

The Company is, in the routine operation of its business, subject to litigation, claims, assessments, and various other legal matters. In the opinion of management, none of these matters is expected to result in a settlement or judgment having a material adverse effect on the Company's financial position or results of operations.

### **11. Supplemental Cash Flow Information**

As discussed in Note 3, during the subsequent measurement period in 2023, HBHC finalized their estimates and assumptions used in the preliminary valuation of the acquisition. Accordingly, HBHC recorded an adjustment which resulted in an increase in goodwill of \$1,200,000 allocated to the Company. This was contributed to the Company through member's equity during 2023.

**EXHIBIT L**  
**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

You are preparing to enter into a Franchise and/or Area Development Agreement (“Agreement”) with The HBH Franchise Company, LLC (“we,” “us,” or “our”). Please review each of the following questions carefully and provide honest and complete responses to each question.

Franchise Applicant \_\_\_\_\_

- 1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes \_\_\_ No \_\_\_

- 2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes \_\_\_ No \_\_\_

- 3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more HoneyBaked stores operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*

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

California Franchise Investment Law or the Washington Franchise Investment Protection Act. **This Disclosure Questionnaire is not for use in the States of California, Maryland and Washington.**

\*\*\*\*\*

You acknowledge that one or more other copies of this Questionnaire have been reviewed and signed by the owners of your proposed business entity.

**FRANCHISE APPLICANT:** \_\_\_\_\_

By: \_\_\_\_\_

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

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

**EXHIBIT M**  
**CMS SUPPORT AGREEMENT**

## **CMS SUPPORT AGREEMENT**

This CMS Support Agreement (“Agreement”) is by and between the user of the CMS Retail Point of Sale System (“CMS System”) identified on the signature page to this Agreement (“User”) and The Honey Baked Ham Company, LLC (“HBH Co.”).

1. **CMS SYSTEM.** HBH Co. will provide access to and support for its proprietary CMS System to User, subject to the terms and conditions set forth in this Agreement. The CMS System is designed for use with proprietary software (“Software”), which is installed on the CMS System and shall be licensed to User separately pursuant the “HoneyBaked CMS End User Software License Agreement” attached to this Agreement (“EUSLA”), which EUSLA may be revised or replaced from time to time in HBH Co.’s sole discretion.

2. **SUPPORT.** HBH Co. shall provide telephone and/or e-mail help desk assistance to assist User in diagnosing and correcting errors or malfunctions with the CMS System. Support will be provided Monday through Sunday during regularly posted hours, with extended hours during the holidays.

3. **USER OBLIGATIONS.**

A. User will provide HBH Co., its employees, agents and representatives with all information, documentation and technical assistance and such access to the CMS System as HBH Co. may reasonably require in order to perform its duties under this Agreement. HBH Co. will be relieved of any obligation to perform its affected duties under this Agreement if User is unable or otherwise fails to provide HBH Co. with any of the foregoing.

B. User will provide the CMS System a stable network connection to the Internet (t1, DSL or Cable). In the event User’s sharing of the CMS System circuit causes bandwidth constraints or other problems for CMS System transactions, interrupts or impedes data flow to corporate HBH databases, or causes any other problems deemed in HBH Co.’s sole discretion to be outside the normal parameters for the successful network operation of the CMS System, User will be required to provide a dedicated broadband circuit for the CMS System. User is responsible for connectivity issues related to User’s broadband connection.

C. User may not modify the CMS System or network. User shall not plug any equipment other than CMS System equipment into the Cisco Meraki MX64 Router or any successor router.

D. Internet security is the sole responsibility of User.

E. Software reconfiguration or re-imaging of the CMS System may be required due to non-compliance with these User obligations. In this event, all charges with restoring the normal operation of the CMS System will be paid to HBH Co. by User including shipping charges to and from HBH’s Co.’s Help Desk.

F. To utilize HBH Co.’s Integrated CMS Credit Card Authorization System, User must have a broadband circuit (DSL or Cable modem - analog dial-up is not supported). User shall obtain credit card authorization/settlement accounts with HBH Co.’s authorized payment systems vendor and will be liable to that vendor for transaction fees under a separate agreement.

4. **FEES.** On or before January 31<sup>st</sup> of each year, User shall pay an annual CMS System support and licensing fee (“CMS Fee”) to HBH Co. in the amount of Two Thousand Four Hundred Dollars (\$2,400) which shall cover the license of the Software for use on up to four (4) registers for the one (1) year period

from February 1 to January 31. User shall pay a prorated CMS Fee for the period from the opening date of User's HoneyBaked Store under User's Franchise Agreement with The HBH Franchise Company through January 31 of the following year. HBH Co. reserves the right to increase the CMS Fee on an annual basis, with notification to User prior to January 1<sup>st</sup>, and User shall pay such increased CMS Fee. Fees for support in addition to that provided in this Agreement will be charged based on a case-by-case assessment. HBH Co. reserves the right upon written notice to User to change the timing and method of payment of the CMS Fee and other fees due under this Agreement.

**5. DISCLAIMER OF WARRANTIES/ LIMITATION OF LIABILITY.** HBH CO. DOES NOT WARRANT THE SERVICES PROVIDED UNDER THIS AGREEMENT, OR THAT ANY OR ALL ERRORS, MALFUNCTIONS OR DEFECTS CAN OR WILL BE CORRECTED. ALL CORRECTIONS AND SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE. EXCEPT FOR LIABILITY FOR PERSONAL INJURY, HBH CO. SHALL NOT BE LIABLE TO USER FOR ANY DAMAGES RESULTING FROM OR RELATED TO ANY SERVICES PERFORMED BY OR ON BEHALF OF HBH CO. UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY LOSS OF DATA OR SOFTWARE, INABILITY OF HBH CO. TO CORRECT ANY ERRORS, MALFUNCTIONS OR DEFECTS, OR ANY DELAY OF HBH CO. IN PERFORMING ANY SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL HBH CO. BE LIABLE TO USER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOST PROFITS ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF HBH CO. HAS BEEN ADVISED OF THE POSSIBILITY OR SHOULD HAVE KNOWN OF SUCH DAMAGES. HBH CO.'S LIABILITY TO USER, IF ANY, SHALL NOT EXCEED THE TOTAL ANNUAL CMS FEES OR OTHER FEES PAID BY USER TO HBH CO. UNDER THIS AGREEMENT.

**6. TERM AND RENEWAL.** Unless earlier terminated pursuant to Section 7, this Agreement shall remain in effect until February 1<sup>st</sup> of the year following the year that this Agreement was signed and shall thereafter automatically be renewed for additional successive terms of one (1) year unless one party provides to the other party notice of its intention not to renew this Agreement at least thirty (30) days prior to the expiration of the then-current term. HBH Co. shall have the right to amend and replace this Agreement upon renewal. User's continued use of the CMS System after notification of an amendment shall constitute acceptance of the amended Agreement.

**7. TERMINATION.** This Agreement shall terminate automatically upon the expiration or termination of the User's Franchise Agreement with The HBH Franchise Company or the EUSLA. HBH Co. may terminate this Agreement effective upon five (5) days' advance written notice to User if User fails to pay any CMS Fees or other fees when due or commits a material breach of this Agreement.

**8. MISCELLANEOUS.** This Agreement constitutes the entire agreement between HBH Co. and User with respect to access to and support for the CMS System and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral or written that relate to its subject matter. This Agreement will be governed by the laws of the State of Georgia without regard to its conflict of law provisions. Each party consents to the exclusive jurisdiction and venue of the appropriate courts in Fulton County, Georgia, for all disputes arising out of or relating to this Agreement. The prevailing party in any action or proceeding to enforce its rights hereunder shall be entitled to recover reasonable attorneys' fees and other reasonable costs incurred in the action or proceedings. The failure of a party to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision. HBH Co. may assign this Agreement, in whole or in part, at any time without User's consent. User may not assign this Agreement, in whole or in part, without HBH Co.'s consent. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that

the court should endeavor to give the maximum effect to the parties' intentions as reflected in the provision, and that the other provisions of the Agreement shall remain in full force and effect. All notices, demands, or consents required or permitted hereunder shall be in writing and shall be delivered in person or sent via overnight delivery or certified mail to the respective parties at the addresses set forth herein or at such other address as shall have been given to the other party in writing. Such notices shall be deemed effective upon the earliest to occur of: (i) actual delivery; or (ii) three (3) days after mailing, addressed and postage prepaid, return receipt requested. All notices to HBH Co. shall be sent to the attention of HBH Co.'s Vice President of Information Technology.

The Honey Baked Ham Company, LLC  
End User Software License Agreement  
CMS Products  
3875 Mansell Rd.  
Alpharetta, GA 30022-1532  
Tel: (678) 966-3100  
Fax: (678) 966-3134  
Email: CMSsales@hbham.com

I have read and accept the HoneyBaked CMS End User Software License Agreement below and I agree to the above terms and conditions of this CMS Support Agreement.

User:

Signed by User: \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Store Number: # \_\_\_\_\_

Notice Address:

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### **HONEYBAKED CMS END USER SOFTWARE LICENSE AGREEMENT**

IMPORTANT -- CAREFULLY REVIEW THIS AGREEMENT BEFORE CONTINUING THE USE OF THE HONEY BAKED HAM COMPANY, LLC ("HBH CO.") CMS RETAIL POINT OF SALE SYSTEM SOFTWARE ("SOFTWARE"). THIS END-USER SOFTWARE LICENSE AGREEMENT ("EUSLA") IS A LEGAL AGREEMENT BETWEEN YOU (EITHER AN INDIVIDUAL OR ENTITY) ("YOU") AND HBH CO. IF YOU DO NOT AGREE TO THE TERMS OF THIS EUSLA, DISCONTINUE THE USE OF ALL SOFTWARE AND DOCUMENTATION ASSOCIATED WITH THE SOFTWARE ("DOCUMENTATION"). THE SOFTWARE INCLUDES COMPUTER SOFTWARE, THE ASSOCIATED MEDIA, AND ANY DOCUMENTATION (INCLUDING PRINTED, ELECTRONIC, DIGITAL, AND ONLINE MATERIALS). BY DOWNLOADING THE SOFTWARE AND/OR OPENING THE SOFTWARE PACKET(S) AND/OR USING THE SOFTWARE, YOU ACKNOWLEDGE THAT YOU HAVE READ THIS EUSLA, UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS. CAPITALIZED TERMS NOT DEFINED IN THIS EUSLA SHALL HAVE THE MEANING GIVEN THEM IN THE CMS SUPPORT AGREEMENT.

**1. GRANT OF LICENSE.** Subject to the terms and conditions of this EUSLA and your payment of the applicable CMS Fees, HBH Co. grants you a limited, nontransferable, nonexclusive license

to use the Software solely (i) in object (executable) code form, (ii) on a CMS Retail Point of Sale System (the "CMS System"), and (iii) for your internal use in connection with the operation of your franchise with The HBH Franchising Company only. You understand that you must comply with HBH Co.'s Software registration policies and the failure to comply with those policies may result in the disablement of the Software. The Software is in "use" on a computer when it is loaded into temporary memory (i.e. RAM) or installed into permanent memory (e.g. hard disk, CD-ROM, or other storage device) of a computer.

**2. COPYRIGHT.** The Software provided to you is licensed and not sold. The Software is proprietary and confidential to HBH Co. The Software is protected by U.S. copyright laws and international copyright treaties. As between you and HBH Co., HBH Co. owns and retains all right, title and interest in and to the Software. Your possession, installation, or use of the Software does not transfer to you any title to the intellectual property in the Software, and you will not acquire any rights to the Software except as expressly set forth in this EUSLA. You may not copy the Software or any Documentation.

**3. OTHER RESTRICTIONS.** You may not decompile, translate, disassemble, or otherwise reverse engineer the Software, or attempt to access or view the source code of the Software, except to the extent that the foregoing restriction is expressly prohibited by applicable law. You may not sublicense, lend, lease, donate, sell, load, pledge, transfer, or distribute (on a temporary or permanent basis) the Software. You may not use the Software for commercial time-sharing, rental, or service bureau use.

**4. U.S. GOVERNMENT RESTRICTED RIGHTS.** The Software is provided with RESTRICTED RIGHTS. Use, duplication, or disclosure by the Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 or subparagraphs (c)(1) and (2) of the Commercial Computer Software -- Restricted Rights at 48 CFR 52.227-19, as applicable. Contractor/manufacturer is The HoneyBaked Ham Company of Georgia, Inc., 3875 Mansell Rd., Alpharetta, Georgia 30022-1532.

**5. UPDATES/AMENDMENT OF EUSLA.** HBH Co. shall have no obligation to but may, at its sole discretion, replace, modify, or upgrade the Software, including its operation and functionality, without prior notice to you. This EUSLA shall apply to the updated Software automatically, regardless of whether you receive notification of the update. HBH Co. may amend this EUSLA from time to time in its sole discretion. Your continued use of or access to the Software after notification of an amendment (which may appear upon access of the Software or through a separate communication) shall constitute acceptance of the amended EUSLA.

**6. DISCLAIMER OF WARRANTIES.** THE SOFTWARE IS PROVIDED "AS IS" AND, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, HBH CO. DISCLAIMS ALL WARRANTIES REGARDING THE SOFTWARE, EXPRESSED OR IMPLIED, AND INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, TITLE, AND FITNESS FOR A PARTICULAR PURPOSE. THIS LIMITED WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS THAT VARY FROM JURISDICTION TO JURISDICTION.

**7. NO LIABILITY FOR CONSEQUENTIAL DAMAGES.** HBH CO. AND ALL PARTIES INVOLVED IN THE CREATION OR DELIVERY OF THE SOFTWARE TO YOU SHALL HAVE NO LIABILITY TO YOU OR ANY THIRD PARTY FOR SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, GOODWILL OR SAVINGS, DOWNTIME, DAMAGE TO OR REPLACEMENT OF SOFTWARE AND DATA) ARISING FROM CLAIMS BASED IN WARRANTY, CONTRACT, TORT OR OTHERWISE, RELATING IN ANY MANNER TO THE SOFTWARE, EVEN IF HBH CO. HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIM OR DAMAGE. IN ANY CASE, HBH

CO.'S ENTIRE LIABILITY RELATING IN ANY MANNER TO THE SOFTWARE, REGARDLESS OF THE FORM OR NATURE OF THE CLAIM, SHALL BE LIMITED TO THE AMOUNT ACTUALLY PAID BY YOU FOR THE SOFTWARE. ANY WRITTEN OR ORAL INFORMATION OR ADVICE GIVEN BY HBH CO.'S DEALERS, DISTRIBUTORS, AGENTS OR EMPLOYEES WILL IN NO WAY INCREASE THE SCOPE OF THIS WARRANTY. BECAUSE SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF IMPLIED WARRANTIES OR LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

**8. EXPIRATION AND TERMINATION.** This EUSLA and the license granted herein will expire automatically upon the expiration or termination of your CMS Support Agreement with HBH Co. or your Franchise Agreement with The HBH Franchise Company. HBH Co. may terminate this EUSLA at any time as a result of a material breach by you by giving written notice of termination to you. Unless otherwise agreed to by the parties in writing, upon the expiration or termination of this EUSLA, you shall immediately remove from your CMS System all copies of the Software.

**9. EXPORT/LAWS.** You shall fully comply with all laws and regulations of the United States and other countries, as applicable, relating to the export, import and use of the Software. You will defend, indemnify and hold harmless HBH Co. from and against any and all claims, proceedings, losses, damages, liabilities, fines, penalties, costs, and fees (including reasonable attorneys' fees) arising in connection with any violation of any regulation of any United States or other governmental authority relating to the use of the Software by you or your agents.

**10. THIRD PARTY BENEFICIARIES.** You are hereby notified that persons and entities that have licensed software to HBH Co. for inclusion in the Software are third party beneficiaries to this EUSLA as it applies to their respective software product(s) included in the Software.

**11. MISCELLANEOUS.** The EUSLA constitutes the entire agreement between HBH Co. and you as to the Software and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral or written that relate to its subject matter. This EUSLA will be governed by the laws of the State of Georgia without regard to its conflict of law provisions. Each party consents to the exclusive jurisdiction and venue of the appropriate courts in Fulton County, Georgia, for all disputes arising out of or relating to this EUSLA. The prevailing party in any action or proceeding to enforce its rights hereunder shall be entitled to recover reasonable attorneys' fees and other reasonable costs incurred in the action or proceedings. The failure of a party to exercise or enforce any right or provision of this EUSLA will not constitute a waiver of such right or provision. HBH Co. may assign this EUSLA, in whole or in part, at any time without your consent. You may not assign this EUSLA, in whole or in part, without HBH Co.'s consent. If any provision of this EUSLA is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give the maximum effect to the parties' intentions as reflected in the provision, and that the other provisions of the EUSLA shall remain in full force and effect.

**EXHIBIT N**

**SEASONAL STORE ADDENDUM TO FRANCHISE AGREEMENT**

**SEASONAL STORE ADDENDUM TO THE HBH FRANCHISE COMPANY, LLC  
FRANCHISE AGREEMENT**

This Seasonal Store Addendum to the Franchise Agreement dated  
(“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited  
liability company, and \_\_\_\_\_ (“Franchisee”), a \_\_\_\_\_ is entered  
into simultaneously with the Franchise Agreement.

RECITALS

HBH has developed a program for the development and operation of HoneyBaked Stores that are  
only open during holiday seasons (“Seasonal Stores”) and that are supported by nearby HoneyBaked Stores  
that operate year-round (“Primary Stores”).

Pursuant to the Franchise Agreement, Franchisee agreed to develop and operate a franchised  
Seasonal Store (“Store”) located at \_\_\_\_\_ (the “Designated Location”).

Since the Store will be operated at as a Seasonal Store, certain provisions of the Franchise  
Agreement will not be applicable to Franchisee’s operation of the Store and certain other provisions need  
to be added to the Franchise Agreement to govern Franchisee’s operation of the Store.

The parties have agreed to modify the Franchise Agreement to reflect the necessary changes.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set  
forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby  
acknowledged, the parties, intending to be legally bound, agree as follows:

1. Grant. The following Section 2.3 is added to the end of Section 2 of the Franchise Agreement:

2.3 Seasonal Store. The Store will be operated as a Seasonal Store. Franchisee shall  
not be required to operate the Store on a year-round basis; however, the Store must be open,  
at a minimum, during the following holiday seasons: Thanksgiving, Christmas and Easter  
as required by HBH’s Franchise Operations Manual. All products sold at the Store will be  
supplied by the HoneyBaked Store operated by Franchisee that is located at  
\_\_\_\_\_ (the “Primary Store”). The Store must  
sell all retail items mandated for Seasonal Stores in HBH’s Franchise Operations Manual.

2. Term. The second sentence of Section 2.2 is deleted and replaced with the following:

Unless sooner terminated as hereinafter provided, this Agreement shall expire at midnight  
Eastern Time on the date which is five (5) years after the Effective Date (the “Initial  
Term”).

3. One Renewal Term. The second sentence of Section 3.1 of the Franchise Agreement is deleted  
Franchisee shall only have one five (5) year renewal term.

4. Initial Training. Section 12.1 of the Franchise Agreement is deleted and replaced with the following:

12.1 Initial Training. Franchisee shall conduct a training program for the Store Operator and all employees of the Store at the Primary Store. Any such training program shall meet the requirements set by Franchisor in the FOM.

5. Advertising Obligation. Section 3.1 of the Franchise Agreement is deleted and replaced with the following and all references in the Franchise Agreement to a “Monthly Advertising Obligation” shall mean and refer to the “Annual Advertising Obligation”:

**Annual Advertising Obligation.** During the term of this Agreement, Franchisee shall have an annual advertising obligation in an amount up to 5% of the annual net sales of the Store, which shall be comprised of Franchisee’s local advertising expenditure as described in Section 13.2(e), Advertising Fund contribution as described in Section 13.3, and/or contribution to an advertising cooperative as described in Section 13.4 (“Monthly Advertising Obligation”). As of the Effective Date, Franchisee’s Annual Advertising Obligation is 4.25% of net sales, which includes a local advertising expenditure which shall be spent in November and December of each calendar year in an amount equal to 1% of the net sales of the Store during the prior calendar year and an Advertising Fund contribution of 3.25% of the Store’s monthly net sales. Following thirty (30) days’ prior written notice to Franchisee, HBH may increase and reallocate the Annual Advertising Obligation among the local advertising expenditure, the Advertising Fund, and an advertising cooperative.

6. Local Advertising. The first two sentences of Section 3.1(e) of the Franchise Agreement are deleted and replaced with the following:

Franchisee shall spend a minimum of twenty thousand dollars (\$20,000) prior to and within ninety (90) days of opening the Store on pre-opening and grand opening local advertising as prescribed in the FOM. During November and December of each calendar year following the year of opening, Franchisee shall spend the amount required by its then-current Annual Advertising Obligation for local advertising.

7. Technology Fee. Notwithstanding anything to the contrary in the Franchise Agreement, Franchisee shall only be required to pay the technology fee described in Section 13.2(b) during the months in which the Store is open for business.

8. Default and Termination. Section 16.1(e) of the Franchise Agreement is deleted and replaced with the following:

(e) Franchisee abandons or fails to continuously and actively operate the Store when required by the FOM.

9. Default and Termination. The following Section 16.1(t) is added to the end of Section 16.1 of the Franchise Agreement:

(t) Franchisee transfer the Franchise Agreement for the Primary Store or the Franchise Agreement for the Primary Store expires or is terminated by HBH.

10. Transfer. The following sentence is added to the end of Section 20.2 of the Franchise Agreement:

Franchisee may not assign or transfer the Franchise Agreement unless Franchisee is simultaneously transferring the Franchise Agreement for the Primary Store to the same transferee.

11. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Franchise Agreement.

B. The Franchise Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

FRANCHISEE:  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT O**

**DEVELOPMENT INCENTIVE PROGRAM ADDENDA**

EXHIBIT ~~N~~Q.1

**MULTI-STORE DEVELOPMENT INCENTIVE PROGRAM ADDENDA TO  
DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT**

**MULTI-STORE DEVELOPMENT INCENTIVE PROGRAM ADDENDUM  
TO THE HBH FRANCHISE COMPANY, LLC AREA DEVELOPMENT AGREEMENT**

This Multi-Store Development Incentive Program Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of \_\_\_\_\_.

RECITALS

Pursuant to the Development Agreement, Developer agreed to develop \_\_\_ ( ) HoneyBaked Stores (each a “Store”) in compliance with the Development Schedule.

In order to encourage the development of new franchised HoneyBaked Sores, HBH has implemented a development incentive program (the “Program”) for qualified developers that sign an Area Development Agreement with HBH on or before January 31, ~~2026~~2027 and agree to develop at least two (2) franchised HoneyBaked Stores in compliance with the Development Schedule set forth in the Development Agreement.

Developer and HBH are entering into this Addendum to modify the Development Agreement and to provide the Program benefits to Developer.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Program Requirements. Under the Program:

~~A.~~ ~~HBH will waive Development Fees for the third and any additional Stores that Developer has agreed to develop under the Development Agreement.~~

~~B.A.~~ Developer must remain in full compliance with the Development Schedule for each Store.

~~C.B.~~ Developer must spend ten thousand dollars (\$10,000) on approved local marketing during each Store’s first year of operation in addition to Developer’s ~~ten~~twenty thousand dollar (\$~~10~~20,000) opening advertising requirement and all national, regional and local marketing obligations.

~~D.C.~~ For each Store, HBH will agree to waive the Royalty Fees during the Store’s first year of operation and reduce the Royalty Fee to three percent (3%) of net sales during the Store’s second year of operation. Developer shall pay the standard Royalty Fee for each Store beginning with its third year of operation.

~~E.D.~~ The Program incentives may not be combined with any other incentive programs.

~~F.E.~~ Simultaneously with Developer’s execution of the Franchise Agreement for each Store, Developer will execute a Multi-Store Development Incentive Program Addendum to the Franchise Agreement in the form attached as Exhibit 1 to this Addendum, which shall memorialize the Program incentives.

2. Termination. This Program incentives offered pursuant to this Addendum for a Store shall terminate following written notice to Developer upon the occurrence of either of the following events:

(1) Developer fails to remain in full compliance with the Development Schedule for the Store; or (2) prior to the first anniversary of the opening date of the Store, Developer fails to spend the additional ten thousand dollars (\$10,000) on approved local marketing. Upon termination of the Program incentives for a Store, any Royalty Fee waiver or reduction Developer is receiving for that Store at the time of termination shall immediately cease and Developer must pay to HBH all waived and reduced Royalty Fees for that Store within thirty (30) days of receipt of invoice.

3. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Development Agreement.

B. The Development Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Development Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Development Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

DEVELOPER:  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT 1**  
**FORM OF MULTI-STORE DEVELOPMENT INCENTIVE ADDENDUM**  
**TO THE HBH FRANCHISE COMPANY, LLC FRANCHISE AGREEMENT**

**THIS MULTI-STORE DEVELOPMENT INCENTIVE ADDENDUM** (“Addendum”) to The HBH Franchise Company, LLC Franchise Agreement dated as of \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”) and \_\_\_\_\_ (“Franchisee”) is entered into as of \_\_\_\_\_.

**RECITALS**

Pursuant to the Franchise Agreement, HBH granted Franchisee the right to develop and operate a franchised HoneyBaked Store located at \_\_\_\_\_ (the “Store”). Franchisee and HBH entered into an Area Development Agreement for the Store dated as of \_\_\_\_\_ (the “Development Agreement”)

In order to encourage the development of new franchised HoneyBaked Stores, HBH has implemented a development incentive program (the “Program”) for qualified franchisees that signed an Area Development Agreement with HBH on or before January 31, ~~2026~~2027, agreeing to develop at least two (2) franchised HoneyBaked Stores in compliance with the Development Schedule set forth in the Development Agreement.

Since the development of the Store meets the criteria for the Program, HBH and Franchisee are entering into this Addendum to provide the Program benefits to Franchisee and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Program Requirements. Under the Program:

A. Franchisee must remain in full compliance with the Development Schedule for the Store.

B. Franchisee agrees to spend ten thousand dollars (\$10,000) on approved local marketing during the Store’s first year of operation in addition to Franchisee’s ~~ten~~twenty thousand dollar (\$~~10~~20,000) opening advertising requirement and all national, regional and local marketing obligations.

C. HBH agrees to waive the Royalty Fees for the Store during its first year of operation. During the second year of operation, Franchisee agrees to pay a Royalty Fee in the amount of three percent (3%) of net sales. Franchisee shall pay the standard Royalty Fee set forth in the Franchise Agreement beginning with the third year of operation of the Store.

D. The Program incentives may not be combined with any other incentive programs.

2. Termination. The Program incentives offered pursuant to this Addendum shall terminate following written notice to Franchisee upon the occurrence of either of the following events: (1) Franchisee fails to remain in full compliance with the Development Schedule for the Store; or (2) prior to the first anniversary of the opening date of the Store, Franchisee fails to spend the additional ten thousand dollars (\$10,000) on approved local marketing for the Store. Upon termination, any Royalty Fee waiver or reduction Franchisee

is receiving at the time of termination shall immediately cease and Franchisee must pay to HBH all waived and reduced Royalty Fees within thirty (30) days of receipt of invoice.

3. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Franchise Agreement or the Development Agreement, as the context requires.

B. The Franchise Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

FRANCHISEE:  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT ~~N~~O.2**

**SINGLE STORE DEVELOPMENT INCENTIVE PROGRAM ADDENDA TO  
DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT**

**SINGLE STORE DEVELOPMENT INCENTIVE PROGRAM ADDENDUM  
TO THE HBH FRANCHISE COMPANY, LLC AREA DEVELOPMENT AGREEMENT**

This Single Store Development Incentive Program Addendum to the Area Development Agreement dated \_\_\_\_\_ (“Development Agreement”) between The HBH Franchise Company, LLC (“HBH”), a Georgia limited liability company, and \_\_\_\_\_ (“Developer”), a \_\_\_\_\_, is entered into as of \_\_\_\_\_.

**RECITALS**

Pursuant to the Development Agreement, Developer agreed to develop one (1) HoneyBaked Store (the “Store”) in compliance with the Development Schedule.

In order to encourage the development of new franchised HoneyBaked Stores, HBH has implemented a development incentive program (the “Program”) for qualified developers that sign an Area Development Agreement with HBH on or before January 31, ~~2026~~2027 agreeing to develop one (1) franchised HoneyBaked Store in compliance with the Development Schedule set forth in the Development Agreement.

Developer and HBH are entering into this Addendum to modify the Development Agreement and to provide the Program benefits to Developer.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Program Requirements. Under the Program:
  - A. Developer must remain in full compliance with the Development Schedule for the Store.
  - B. Developer must spend ten thousand dollars (\$10,000) on approved local marketing during the Store’s first year of operation in addition to Developer’s ~~ten~~twenty thousand dollar (\$~~10~~20,000) opening advertising requirement and all national, regional and local marketing obligations.
  - C. HBH will agree to waive the Royalty Fees for the Store during its first year of operation. Developer shall pay the standard Royalty Fee beginning with the second year of operation of the Store.
  - D. The Program incentives may not be combined with any other incentive programs.
  - E. Simultaneously with Developer’s execution of the Franchise Agreement for the Store, Developer will execute a Single Store Development Incentive Program Addendum to the Franchise Agreement in the form attached as Exhibit 1 to this Addendum, which shall memorialize the Program incentives.
2. Termination. This Program incentives offered pursuant to this Addendum shall terminate following written notice to Developer upon the occurrence of either of the following events: (1) Developer fails to remain in full compliance with the Development Schedule for the Store; or (2) prior to the first anniversary of the opening date of the Store, Developer fails to spend the additional ten thousand dollars (\$10,000) on approved local marketing. Upon termination of the Program incentives for the Store, any Royalty Fee waiver Developer is receiving at the time of termination shall immediately cease and Developer must pay to HBH all waived Royalty Fees within thirty (30) days of receipt of invoice.

3. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Development Agreement.

B. The Development Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Development Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Development Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

DEVELOPER:  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT 1**  
**FORM OF SINGLE STORE DEVELOPMENT INCENTIVE ADDENDUM**  
**TO THE HBH FRANCHISE COMPANY, LLC FRANCHISE AGREEMENT**

**THIS SINGLE STORE DEVELOPMENT INCENTIVE ADDENDUM** (“Addendum”) to The HBH Franchise Company, LLC Franchise Agreement dated as of \_\_\_\_\_ (“Franchise Agreement”) between The HBH Franchise Company, LLC (“HBH”) and \_\_\_\_\_ (“Franchisee”) is entered into as of \_\_\_\_\_.

**RECITALS**

Pursuant to the Franchise Agreement, HBH granted Franchisee the right to develop and operate a franchised HoneyBaked Store located at \_\_\_\_\_ (the “Store”). Franchisee and HBH entered into an Area Development Agreement for the Store dated as of \_\_\_\_\_ (the “Development Agreement”)

In order to encourage the development of new franchised HoneyBaked Stores, HBH has implemented a development incentive program (the “Program”) for qualified franchisees that signed an Area Development Agreement with HBH on or before January 31, ~~2026~~2027 and agreed to develop one (1) franchised HoneyBaked Store in compliance with the Development Schedule set forth in the Development Agreement.

Since the development of the Store meets the criteria for the Program, HBH and Franchisee are entering into this Addendum to provide the Program benefits to Franchisee and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Program Requirements. Under the Program:

A. Franchisee must remain in full compliance with the Development Schedule for the Store.

B. Franchisee agrees to spend ten thousand dollars (\$10,000) on approved local marketing during the Store’s first year of operation in addition to Franchisee’s ~~ten~~twenty thousand dollar (\$~~10~~20,000) opening advertising requirement and all national, regional and local marketing obligations.

C. HBH agrees to waive the Royalty Fees for the Store during its first year of operation. Franchisee shall pay the standard Royalty Fee set forth in the Franchise Agreement beginning with the second year of operation of the Store.

D. The Program incentives may not be combined with any other incentive programs.

2. Termination. The Program incentives offered pursuant to this Addendum shall terminate following written notice to Franchisee upon the occurrence of either of the following events: (1) Franchisee fails to remain in full compliance with the Development Schedule for the Store; or (2) prior to the first anniversary of the opening date of the Store, Franchisee fails to spend the additional ten thousand dollars (\$10,000) on approved local marketing for the Store. Upon termination, any Royalty Fee waiver Franchisee is receiving at the time of termination shall immediately cease and Franchisee must pay to HBH all waived Royalty Fees within thirty (30) days of receipt of invoice.

3. Miscellaneous.

A. The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Franchise Agreement or the Development Agreement, as the context requires.

B. The Franchise Agreement and this Addendum constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

C. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HBH:  
THE HBH FRANCHISE COMPANY, LLC,  
a Georgia limited liability company

FRANCHISEE:  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## State Effective Dates

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

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

State	Effective Date
California	January <del>15, 2025</del> <a href="#">12, 2026</a>
Illinois	January <del>15, 2025</del> <a href="#">12, 2026</a>
Indiana	January <del>15, 2025</del> <a href="#">12, 2026</a>
Maryland	<del>January 22, 2025, as amended September 30, 2025</del> <a href="#">PENDING</a>
Michigan	<del>January 15, 2025</del> <a href="#">PENDING</a>
Minnesota	<del>February 4, 2025, as amended October 8, 2025</del> <a href="#">PENDING</a>
New York	January <del>15, 2025</del> <a href="#">12, 2026</a>
North Dakota	<del>January 17, 2025, as amended September 30, 2025</del> <a href="#">PENDING</a>
Rhode Island	<del>January 21, 2025, as amended October 2, 2025</del> <a href="#">PENDING</a>
South Dakota	<del>January 15, 2025</del> <a href="#">PENDING</a>
Virginia	<del>January 15, 2025, as amended October 8, 2025</del> <a href="#">PENDING</a>
Washington	<del>January 22, 2025</del> <a href="#">PENDING</a>
Wisconsin	<del>January 15, 2025, as amended September 30, 2025</del> <a href="#">PENDING</a>

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.

## RECEIPT

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law. New York requires 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 requires 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 we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency identified on Exhibit A.

The franchisor is The HBH Franchise Company, LLC, located at 3875 Mansell Road, Alpharetta, Georgia 30022-1532. Its telephone number is (678) 966-3100.

Issuance Date: January ~~15, 2025, as amended September 30, 2025~~ 12, 2026

The franchise sellers for this disclosure are: ~~James Hannan, Senior Vice President of Operations~~; Jerry DeFeo, Vice President of Franchise Operations; Kevin Koons, Chief Operating Officer; Lisa Hubbert, Senior Training Manager; William Reno, Vice President of Development and Construction; and Jason Simons, Director of Retail Store Marketing, located at The HBH Franchise Company, LLC, 3875 Mansell Road, Alpharetta, Georgia 30022-1532, (678) 966-3100; Eric J. Edwards, President, ~~located at~~ Executive Franchise Development, LLC, 8 Stewart St, Williamston, South Carolina 29697, (214) 870-3888 and Coleman Welch, President, ~~located at~~ Welch Executives Services, LLC, 3213 N. Jamison Blvd., Flagstaff, Arizona 86004, (864) 642-5149.

The HBH Franchise Company, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process of it in the particular state.

I have received a disclosure document dated January ~~15, 2025, as amended September 30, 2025~~ 12, 2026 that included the following Exhibits:

- A List of State Administrators and Agents for Service of Process
- B Confidentiality Agreement
- C Area Development Agreement
- D Franchise Agreement
- E State Specific Agreement and Disclosure Document Addenda
- F VetFran Addendum to Development Agreement
- G Franchise Operations Manual Table of Contents
- H Training Participation and Nondisclosure Agreement
- I Noncompetition and Nondisclosure Agreement
- J Franchisee Lists
- K Financial Statements
- L Franchisee Disclosure Questionnaire
- M CMS Support Agreement
- N Seasonal Store Addendum to Franchise Agreement
- ~~NO~~ ~~NO.1 Multi-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement~~
- ~~NO.2 Single-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement~~

Date

Signature of Prospective Franchisee

Print Name

## RECEIPT

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law. New York requires 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 requires 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 we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency identified on Exhibit A.

The franchisor is The HBH Franchise Company, LLC, located at 3875 Mansell Road, Alpharetta, Georgia 30022-1532. Its telephone number is (678) 966-3100.

Issuance Date: January ~~15, 2025, as amended September 30, 2025~~ 12, 2026

The franchise sellers for this disclosure are: ~~James Hannan, Senior Vice President of Operations;~~ Jerry DeFeo, Vice President of Franchise Operations; Kevin Koons, Chief Operating Officer; Lisa Hubbert, Senior Training Manager; William Reno, Vice President of Development and Construction; and Jason Simons, Director of Retail Store Marketing, located at The HBH Franchise Company, LLC, 3875 Mansell Road, Alpharetta, Georgia 30022-1532, (678) 966-3100; Eric J. Edwards, President, ~~located at~~ Executive Franchise Development, LLC, 8 Stewart St, Williamston, South Carolina 29697, (214) 870-3888 and Coleman Welch, President, ~~located at~~ Welch Executives Services, LLC, 3213 N. Jamison Blvd., Flagstaff, Arizona 86004, (864) 642-5149.

The HBH Franchise Company, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process of it in the particular state.

I have received a disclosure document dated January ~~15, 2025, as amended September 30, 2025~~ 12, 2026 that included the following Exhibits:

- A List of State Administrators and Agents for Service of Process
- B Confidentiality Agreement
- C Area Development Agreement
- D Franchise Agreement
- E State Specific Agreement and Disclosure Document Addenda
- F VetFran Addendum to Development Agreement
- G Franchise Operations Manual Table of Contents
- H Training Participation and Nondisclosure Agreement
- I Noncompetition and Nondisclosure Agreement
- J Franchisee Lists
- K Financial Statements
- L Franchisee Disclosure Questionnaire
- M CMS Support Agreement
- [N Seasonal Store Addendum to Franchise Agreement](#)
- ~~NO~~ ~~NO.1 Multi-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement~~
- ~~NO.2 Single-Store Development Incentive Program Addenda to Development Agreement and Franchise Agreement~~

\_\_\_\_\_

Date

\_\_\_\_\_

Signature of Prospective Franchisee

\_\_\_\_\_

Print Name

*Return this signed Receipt either by electronically signing and submitting it through DocuSign or another electronic signature platform or by signing, dating, and mailing it to The HBH Franchise Company, LLC at 3875 Mansell Road, Alpharetta, Georgia 30022-1532.*