FRANCHISE DISCLOSURE DOCUMENT

TAPVILLE FRANCHISING INC.
A Delaware Corporation
216 S. Washington Street
Naperville, Illinois 60540
Telephone: 877.312.8277
E-mail: franchising@tapvillesocial.com
www.tapvillesocial.com

As a Tapville Social franchisee, you will operate an innovative self-pour beer taproom and self-service restaurant, kiosk, or mobile unit offering craft beer, wine, cider, and cocktails as well as other beverage and food offerings.

The total investment necessary to begin operation of a brick-and-mortar Tapville Social franchised business (hereinafter, the "Brick-and-Mortar Tapville Social Franchised Business") is between $746,250 and $2,081,000. This includes $114,500 to $134,500 that must be paid to the franchisor or affiliate(s). The total investment necessary to begin operation of a Brick-and-Mortar Tapville Social Franchised Business area development franchise for three to five units is between $835,250 and $2,216,000, which includes additional fees of between $89,000 and $133,500, which must be paid to the franchisor or affiliate(s).

The total investment necessary to begin operation of a non-food kiosk Tapville Social franchised business (hereinafter, the "Non-Food Kiosk Tapville Social Franchised Business,") is between $147,750 and $329,400. This includes $69,500 to $99,500 that must be paid to the franchisor or affiliate(s). The total investment necessary to begin operation of a Non-Food Kiosk Tapville Social Franchised Business area development franchise for three to five units is between $186,750 and $387,900, which includes additional fees of between $39,000 and $58,500, which must be paid to us or our Affiliates.

The total investment necessary to begin operation of a food kiosk Tapville Social franchised business (hereinafter, the "Food Kiosk Tapville Social Franchised Business,") is between $187,750 and $366,000. This includes $69,500 to $99,500 that must be paid to the franchisor or affiliate(s). The total investment necessary to begin operation of a Food Kiosk Tapville Social Franchised Business area development franchise for three to five units is between $226,750 and $424,500, which includes additional fees of between $39,000 and $58,500, which must be paid to us or our Affiliates.

The total investment necessary to begin operation of a mobile Tapville Social franchised business (hereinafter, the "Mobile Taproom Tapville Social Franchised Business," and together with the Brick-and-Mortar Tapville Social Franchised Business and the Kiosk Tapville Social Franchise Business, the "Franchised Businesses," and each a "Franchised Business") is between $164,750 and $247,400. This includes an initial franchise fee of $19,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Mobile Taproom Tapville Social Franchised Business area development franchise for three to five units is between $184,250 and $286,400, which includes additional fees of between $39,000 and $58,500, which must be paid to us or our Affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Joseph Tota, 216 S. Washington Street, Naperville, Illinois 60540; 877.312.8277; franchising@tapvillesocial.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

Call your state agency or visit your public library for other sources of information on franchising. There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 29, 2024

How To Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	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 D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Tapville Social business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Tapville Social franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the 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 risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or 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 Illinois than in your own state.

2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

A prohibition on the right of a franchisee to join an association of franchisees;

A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel, which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee from, after entering into a franchise agreement, from settling any and all claims;

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 to cure, which in no event need be more than 30 days, to cure such failure;

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 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;

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;

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.

A provision that permits a franchise 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. God cause shall include, but is not limited to:

The failure of the proposed franchisee to meet the franchisor's then current reasonable qualifications or standards;

The fact that the proposed transferee is a competitor of the franchisor or subfranchisor;

The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

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;

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other Items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Section
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: 517-335-7567

Note: Despite section (f) above, we intend, and we and you agree to fully and enforce, the arbitration provisions of the Franchise Agreement. We believe that section (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

ITEM 1.
THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

The Franchisor and Predecessor

The franchisor is TAPVILLE FRANCHISING INC. For ease of reference in this disclosure document, TAPVILLE FRANCHISING INC. is referred to as "Tapville Social," "Tapville Social Franchising," "Tapville Franchising Inc.," "we," "us," or "our" and the person who is considering the franchise is referred to as "you" or "your." If you are a corporation, limited liability company, partnership or other legal entity ("legal entity"), certain provisions of the franchise agreement and any related agreements will apply to your shareholders, members, partners, officers, managers and directors ("principals").

We are a Delaware corporation formerly known as TAPVILLE STATION FRANCHISING, LLC, d/b/a TAPVILLE SOCIAL FRANCHISING, an Illinois limited liability company, which was formed on December 6, 2018. TAPVILLE FRANCHISING INC. f/k/a TAPVILLE STATION FRANCHISING, LLC d/b/a TAPVILLE SOCIAL FRANCHISING began offering franchises in February 2019. We do business under the name "TAPVILLE SOCIAL." Our principal business address is 216 S. Washington Street, Naperville, Illinois 60540. Exhibit A contains our agents for service of process. In June 2020, TAPVILLE STATION FRANCHISING, LLC, d/b/a TAPVILLE SOCIAL FRANCHISING was converted to a Delaware corporation, TAPVILLE FRANCHISING INC. We have not engaged in any other line of business, have not offered franchises in any other line of business, and began offering franchises in February 2019.

Parents and Affiliates

We have affiliated entities, Craft & Q, LLC d/b/a Tapville Social-Naperville f/k/a Red Arrow Taproom-Naperville ("Craft & Q"), Ultcede, LLC ("Ultcede"), Tapville Operations, LLC, ("Tapville Operations"), Tapville Tech, LLC ("Tapville Tech"), and Tapville Services, LLC ("Tapville Services") (the "Affiliates" and each an "Affiliate," or "Affiliated Entity").

Craft & Q has operated a business similar to the business being offered as a Brick-and-Mortar Tapville Social Franchised Business (as defined herein) since October 2017, located at 216 S. Washington Street, Naperville, Illinois 60540 (the "Naperville Location"). Craft & Q is an entity wholly owned by our CEO, Joseph Tota. Craft & Q entered into a franchise agreement with Tapville Franchising Inc., effective as of October 1, 2020, to continue operating the Naperville Location under the terms of the franchise agreement. In addition, Craft & Q entered into a franchise agreement with Tapville Franchising Inc., effective as of October 1, 2020, to operate a Tapville Mobile Business.

These Affiliates do not engage in any other line of business and have not offered franchises in this line or any other line of business. These Affiliates do not provide any services or products to Franchisees.

Our Affiliate, Ultcede has a primary business address of 216 S. Washington Street, Naperville, Illinois 60540 and was formed on February 14, 2016. Ultcede supports storing and managing customer gift card balances for our affiliates and franchisees.

Our Affiliate, Tapville Operations, a Delaware limited liability company, has a primary business address of 216 S. Washington Street, Naperville, Illinois 60540 and was formed on January 28, 2022. Tapville Operations is a holding company for future company-owned stores and does not currently provide any services to franchisees.

Our Affiliate, Tapville Tech, a Delaware limited liability company, has a primary business address of 216 S. Washington Street, Naperville, Illinois 60540 and was formed on January 28, 2022. Tapville Tech provides a technology package, equipment, and technology licensing to our affiliates and franchisees.

Our Affiliate, Tapville Services, a Delaware limited liability company, has a primary business address of 216 S. Washington Street, Naperville, Illinois 6054 and was formed on January 28, 2022. Tapville Services provides marketing, training, and accounting and management services to our affiliates and franchisees.

The Franchise Offered

We offer franchises for an innovative self-pour beer taproom and self-service restaurant, kiosk, or mobile unit offering craft beer, wine, cider, and cocktails as well as other beverage and food offerings under the trademark and trade name TAPVILLE SOCIAL. Unless otherwise noted, the term "Tapville Social Franchised Business" refers to either a Brick-and-Mortar Tapville Social Franchised Businesses, a Kiosk Tapville Social Franchised Businesses, or a Mobile Taproom Tapville Social Franchised Business. The term "Kiosk" refers to franchised businesses with a smaller foot-print than average Brick-and-Mortar Tapville Social Franchised Businesses, typically between 150 and 240 square feet. Kiosks are generally located in strip malls, freestanding buildings, and lifestyle centers, and may or may not offer food pairings. The phrase "Mobile Unit" refers to a franchised business that may be moved to and from different events or locations, typically operated from a non-motorized trailer that can be moved by a motorized vehicle. If you purchase a franchise, you will be the owner of the Franchised Business, with staff to assist in the operations of the business. Additional staff may be employed as your business grows. You will provide these services at your own facility.

You must operate the franchised business according to our standards and specifications and sign our standard franchise agreement ("Franchise Agreement"). If you are signing an Area Development Agreement (as defined herein), upon establishing each additional outlet under the Development Schedule an Area Developer may be required to sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Market and Competition

The market for Tapville Social Franchised Businesses is well developed. Sales are year-round. You will serve the general public. You will compete with a variety of businesses, from locally owned bars to national and chain bars, as well as restaurants offering a large selection of beer and wine.

Industry Specific Regulations

You must comply with all local, state and federal laws applicable to restaurants, including licensing, construction and design, health, sanitation, smoking, safety, fire, handling and disposal of waste, gift card laws, food handling, and other matters. Various federal and state agencies, including the U.S. Food and Drug Administration and the U.S. Department of Agriculture and state and local health and sanitation agencies have regulations for the preparation of food and the condition of restaurant facilities. The Clean Air Act and state implementing laws also may require certain geographic areas to attain and maintain certain air quality standards for ozone, carbon monoxide and particulate matters. As a result, businesses involved in commercial food preparation may be subject to caps on emissions.

Some states or localities may require franchisees to obtain restaurant, business, occupational, food products, and miscellaneous licenses. You also may have to obtain health licenses and to comply with health laws and regulations that apply to restaurant and food product establishments. In addition, you will need to comply with certain federal, state and local laws and regulations relating to the labeling that is included on your menus, menu boards, and related materials.

You will also be required to obtain and maintain a liquor license. Some states and localities have laws that regulate or prohibit self-pour of beer in restaurants. In addition, state "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol. You should investigate the application of these laws further.

ITEM 2.
BUSINESS EXPERIENCE

Founder and CEO – Joseph Tota

Mr. Tota has served as our Founder and CEO since our inception in December 2018. Mr. Tota has served as Founder and CEO of our Affiliate, Red Arrow Tap Room, LLC, since its inception in March 2016. Mr. Tota has also served as the CEO of our Affiliate, Ultcede, LLC in Elmhurst, Illinois since February 2016.

Chief Operating Officer – Michael Venditto

Mr. Venditto has served as our Chief Operating Officer since September 2022 from our headquarters in Naperville, Illinois (operating remotely), promoted internally from his role as Vice President of People, which he held from May 2022 to September 2022. Prior to joining us, Mr. Venditto was Director of Sales and Operations at ALDO Group in the Southeastern US, from November 2003 until April 2022.

Vice President of Marketing – Donald A. DiBrita III

Mr. DiBrita has served as our Vice President of Marketing since November 2021. Prior to joining us, Mr. DiBrita was Vice President of Marketing at Brewing Social, LLC, located in Naperville, Illinois, from February 2020 to October 2021. Mr. DiBrita was also previously the President of Beer Dogging LLC, located in Naperville, Illinois, from January 2016 to January 2020.

Vice President of Brand and Construction – Robert Herrmann

Mr. Herrmann has served as our Vice President of Brand and Construction since February 2024. Prior to joining us, Mr. Herrmann was a founding partner and Principal at Finn Retail, a full-service retail solution, providing design, fabrication, and installation solutions.

ITEM 3.
LITIGATION

Consent Order with the California Commissioner of Financial Protection and Innovation: In order to avoid the delay and expense of litigation, we entered into a Consent Order dated November 19, 2021 with the Commissioner of the California Department of Financial Protection and Innovation ("DFPI"). The CPA who audited our financial statements was not properly licensed. Although we did not know this fact, the DFPI found that: (i) our failure to disclose the auditor's lack of licensure was an omission of a material fact under section 31200 of the California Franchise Investment Law ("FIL"); and (ii) the inclusion of the financial statements in the application was an untrue statement of material fact in violation of FIL section 31200. The Consent Order requires us to desist and refrain from violating the FIL, pay a $5,000 administrative penalty and file a post-effective amendment to our franchise registration.

In the Matter of: The Securities Commissioner of Maryland v. Tapville Franchising, Inc.., On June 17, 2024, we entered into a consent order with the Maryland Securities Commissioner of the Securities Division of the Office of the Attorney General of Maryland. This order was concerning our entry into an area development agreement with Maryland residents that included the reservation of rights for a franchise territory in the State of Maryland prior to Tapville's registration to offer and sell franchises in Maryland, which the Maryland Securities Commissioner found to be a violation of §§ 14-214, 14-216, and 14-223 of the Maryland Franchise Law. To resolve the Maryland Securities Commissioner's findings, we entered into a Consent Order with the Maryland Securities Commissioner, wherein we agreed to desist and refrain from violating the Maryland Franchise Law, agreed to pay an administrative penalty of $500, agreed to offer a right of rescission to the area developer, and agreed to diligently pursue its registration application in the State of Maryland.

Other than the foregoing, there is no litigation required to be disclosed in this Item.

ITEM 4.
BANKRUPTCY

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5.
INITIAL FEES

Brick-and-Mortar Tapville Social Franchised Business Initial Franchise Fee

If you are purchasing a Brick-and-Mortar Tapville Social Franchised Business, you must pay us, upon signing the franchise agreement, a $44,500 initial franchise fee (the "Brick-and-Mortar Tapville Social Initial Franchise Fee") to own and operate a Brick-and-Mortar Tapville Social Franchised Business. This fee is uniform, fully earned when the franchise agreement is signed, and non-refundable.

Food Kiosk Tapville Social Franchised Business Initial Franchise Fee

If you are purchasing a Kiosk Tapville Social Franchised Business, you must pay us, upon signing the franchise agreement, a $19,500 initial franchise fee (the "Kiosk Tapville Social Initial Franchise Fee") to own and operate a Kiosk Tapville Social Franchised Business. This fee is uniform, fully earned when the franchise agreement is signed, and non-refundable.

Non-Food Kiosk Tapville Social Franchised Business Initial Franchise Fee

If you are purchasing a Kiosk Tapville Social Franchised Business, you must pay us, upon signing the franchise agreement, a $19,500 initial franchise fee (the "Kiosk Tapville Social Initial Franchise Fee") to own and operate a Kiosk Tapville Social Franchised Business. This fee is uniform, fully earned when the franchise agreement is signed, and non-refundable.

Mobile Taproom Tapville Social Franchised Business Initial Franchise Fee

If you are purchasing a Mobile Taproom Tapville Social Franchised Business, you must pay us, upon signing the franchise agreement, a $19,500 initial franchise fee (the "Mobile Taproom Tapville Social Initial Franchise Fee" and together with the Brick-and-Mortar Tapville Social Initial Franchise Fee and the Kiosk Tapville Social Initial Franchise Fee, the "Initial Franchise Fees" and each an "Initial Franchise Fee") to own and operate a Kiosk Tapville Social Franchised Business. This fee is uniform, fully earned when the franchise agreement is signed, and non-refundable.

Security Deposit

If you are purchasing a Tapville Social Business, you must pay us a security deposit (the "Security Deposit") in the amount of the Initial Franchise Fee no later than five (5) days prior to the intended date of franchise agreement signing (the "Closing"). The Security Deposit will be applied to satisfy your Initial Franchise Fee after Closing, or we will return to the Security Deposit to you within 30 days in the event the Franchise Agreement is not signed.

Brick-and-Mortar Tapville Social Franchised Business Development Fee

If you sign an Area Development Agreement ("ADA") for a Brick-and-Mortar Tapville Social Franchised Business and become an area developer, you will pay us the Initial Franchise Fee of $44,500 for your first franchise and a development fee ("Brick-and-Mortar Tapville Social Development Fee") based on the number of Businesses to be developed. The number of Businesses required by the Development Schedule will be determined by a number of factors, such as the size of the Development Area, the population of the Development Area, and your financial capacity and expertise in developing businesses. The Development Fee for each Business that you develop will be $22,250. In addition, you must pay a Franchise Fee of $22,250 when each subsequent franchise agreement is signed. You will be required to sign our then-current Franchise Agreement for each Business. The Development Fee is paid in a lump sum at the time the ADA is signed, is uniform to all developers currently acquiring development rights, is not refundable and will not be credited against any other fees paid to us or our affiliates. We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans. This fee is deemed fully earned once paid and is non-refundable.

Food Kiosk Tapville Social Franchised Business Development Fee

If you sign an ADA for a Kiosk Tapville Social Franchised Business and become an area developer, you will pay us the Initial Franchise Fee of $19,500 for your first franchise and a development fee ("Kiosk Tapville Social Development Fee") based on the number of Businesses to be developed. The number of Businesses required by the Development Schedule will be determined by a number of factors, such as the size of the Development Area, the population of the Development Area, and your financial capacity and expertise in developing businesses. The Development Fee for each Business that you develop will be $9,750. In addition, you must pay a Franchise Fee of $9,750 when each subsequent franchise agreement is signed. You will be required to sign our then-current Franchise Agreement for each Business. The Development Fee is paid in a lump sum at the time the ADA is signed, is uniform to all developers currently acquiring development rights, is not refundable and will not be credited against any other fees paid to us or our affiliates. We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans. This fee is deemed fully earned once paid and is non-refundable.

Non-Food Kiosk Tapville Social Franchised Business Development Fee

If you sign an ADA for a Kiosk Tapville Social Franchised Business and become an area developer, you will pay us the Initial Franchise Fee of $19,500 for your first franchise and a development fee ("Kiosk Tapville Social Development Fee") based on the number of Businesses to be developed. The number of Businesses required by the Development Schedule will be determined by a number of factors, such as the size of the Development Area, the population of the Development Area, and your financial capacity and expertise in developing businesses. The Development Fee for each Business that you develop will be $9,750. In addition, you must pay a Franchise Fee of $9,750 when each subsequent franchise agreement is signed. You will be required to sign our then-current Franchise Agreement for each Business. The Development Fee is paid in a lump sum at the time the ADA is signed, is uniform to all developers currently acquiring development rights, is not refundable and will not be credited against any other fees paid to us or our affiliates. We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans. This fee is deemed fully earned once paid and is non-refundable.

Mobile Taproom Tapville Social Franchised Business Development Fee

If you sign an ADA for a Mobile Taproom Tapville Social Franchised Business and become an area developer, you will pay us the Initial Franchise Fee of $19,500 for your first franchise and a development fee ("Mobile Taproom Tapville Social Development Fee") based on the number of Businesses to be developed. The number of Businesses required by the Development Schedule will be determined by a number of factors, such as the size of the Development Area, the population of the Development Area, and your financial capacity and expertise in developing businesses. The Development Fee for each Business that you develop will be $9,750. In addition, you must pay a Franchise Fee of $9,750 when each subsequent franchise agreement is signed. You will be required to sign our then-current Franchise Agreement for each Business. The Development Fee is paid in a lump sum at the time the ADA is signed, is uniform to all developers currently acquiring development rights, is not refundable and will not be credited against any other fees paid to us or our affiliates. We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans. This fee is deemed fully earned once paid and is non-refundable.

Brick-and-Mortar Tapville Social Technology Package Fee

Franchisees must purchase the technology package through Tapville Franchising, Inc. or an affiliate. The technology package costs between $70,000 and $90,000 for a brick-and-mortar business. This fee is deemed fully earned once paid and is non-refundable.

Kiosk Tapville Social Technology Package Fee

Franchisees must purchase the technology package through Tapville Franchising, Inc. or an affiliate. The technology package costs between $50,000 and $80,000 for a kiosk business. This fee is deemed fully earned once paid and is non-refundable.

ITEM 6.
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee[1]	6% of Gross Sales	Due monthly by the 10th of the month for the previous month.	"Gross Sales" means all of your revenue from operating Store, but excluding taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks the Business in good faith gives to customers. Franchise Agreement ("FA") Secs. 1 and 3.2.
Local Advertising	1.5% of Gross Sales	As incurred	You must spend this amount on local advertising in your region. FA Sec. 11.1.
Technology Fee[2]	Approximately $350 - $1,500	Due monthly by the 10th of the month for the previous month.	Paid to Franchisor for a range of technology products managed by Franchisor and provided to Franchisee, including Cisco Meraki Network & Licensing; Self-Service Technology, Point of Sale & Guest Mobile App; Website & Maintenance; Untappd Digital Boards; and Tech Support. Payable at the same time, and on the same terms, as the Royalty Fee described above. FA Sec. 3.10. This fee will vary depending on the number of self-pour taps, tablets, POS stations, and network access points you have.

Type of Fee	Amount	Due Date	Remarks
Interest[3]	The lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Amounts not received by us within (5) days after the due date shall incur late fees	Due on all overdue amounts. FA Sec. 3.5. The maximum interest rate in California is 10% annually.
Access to E-Learning Platform and Operations Manual	$5 per employee	Due monthly by the 10th of the month for the immediately preceding month	Payable to us. Access to digital version of operations manual, team member onboarding, training, and reference materials.
Maintenance and Refurbishing of Business[5]	You must reimburse our expenses	As incurred	If, after we notify you, you do not undertake efforts to correct deficiencies in the Franchised Business' appearance, then we can undertake the repairs and you must reimburse us. FA Sec. 3.8.
Insufficient Funds[6]	$75	As incurred	Due if you have insufficient funds in your EDTA to cover a payment, or if any other payment instrument you use is rejected for insufficient funds. FA Sec. 3.9.
Management Fee[7]	$300 per person per day (plus other costs and expenses)	As incurred	Due when we (or a third party) manage your Franchised Business after your managing owner's death or disability, or after your default or abandonment. FA Secs. 3.11 and 18.6.
National Franchise Convention Fee	$500	Annually	You must pay this fee to attend our National Franchise Convention. FA Sec. 3.12.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee[8]	20% of franchise fee at the time the initial Franchise Agreement was signed	At time of renewal	FA Sec. 4.2.9.
Additional Opening Assistance	Our then current standard rates plus our costs	At the time of assistance	Payable if you request and we agree to provide additional assistance with respect to the opening or continued operation of the Franchised Business. FA Sec. 8.2.
Retraining Fee	Our then current standard rates or $250 per trainee per day, whichever is greater	At the time of retraining	Payable to us if your manager does not pass initial training and we permit you to send a substitute manager to us for training. FA Sec. 8.3.
Additional Training or Assistance[9]	Currently, we charge $250 per person per day if ongoing training is at our location, or $250 per person per day (plus hotel, air fare, and other expenses incurred by our trainer) if ongoing training is at your location	When training or assistance begins	We may charge you for training newly-hired personnel; for refresher training courses; for the annual convention; and for additional or special assistance or training you need or request. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging, and meal expenses. FA Sec. 8.4.
Refurbishment of the Equipment	At least $15,000	Every fifth (5th) year after execution of this Agreement, upon Franchisor's request	For purposes of updating Franchisee's equipment. FA Sec. 10.3.

Type of Fee	Amount	Due Date	Remarks
Audit Fee[10]	Cost of inspection plus the amount of the underpayment plus interest from the date such amount was due until received by Franchisor, paid at the rate of the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Cost of inspection – when billed; Underpayment and interest – immediately.	Due if the audit or any other inspection should reveal that any payments to us have been underpaid. Further, you shall reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). FA Sec. 12.6.
Testing of Products or Approval of new Suppliers[11]	Not to exceed $1,000	When billed	This covers the costs of testing new products or inspecting new suppliers you propose to us. FA Sec. 13.1.5.
Insurance	You must reimburse our costs	When billed	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us. FA Sec. 15.5.
Transfer Fee[12]	The greater of 30% of the initial franchise fee at the time of your purchase of this franchise or 10% of the sale price	At the time of transfer	No charge if Franchise Agreement transferred to an entity you control. FA Sec. 18.2(h).
Indemnification[13]	Will vary	As incurred	You must reimburse us if we are held liable for claims from your Store's operation. FA Sec. 21.3.
Cost of Enforcement[14]	All costs, including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs and attorney fees if we are the prevailing party in litigation with you. FA Secs. 22.4 and 23.11; Schedule 3; ADA Sec. 6; Appendix E.

Type of Fee	Amount	Due Date	Remarks
Marketing Service – Brick-and-Mortar[15]	$2,000 ad spend, 15% ad spend fee, additional text marketing and email marketing usage fees may apply	Monthly	Optional Service for our marketing team to run marketing for you. A separate contract will be signed outlining deliverables.
Marketing Service – Kiosk[16]	$300 ad spend, 15% ad spend fee, additional text marketing and email marketing usage fees may apply	Monthly	Optional Service for our marketing team to run marketing for you. A separate contract will be signed outlining deliverables.
Marketing Service – Mobile Unit[17]	$400 ad spend, 15% ad spend fee, additional text marketing and email marketing usage fees may apply	Monthly	Optional Service for our marketing team to run marketing for you. A separate contract will be signed outlining deliverables.
Management Services[18]	Management Services: $5,000 monthly and 5% of "free cash flow"; Accounting Services: $600 monthly; Event Booking Services: $10 per web-based booking, $75 per contract-based booking, and 8% service fee on all booked business on the contract value	As incurred	Optional Service for our marketing team to run marketing for you. A separate contract will be signed outlining deliverables.
Email Access	$9 per email address	Monthly	Paid to franchisor for managing and issuing your email accounts with tapvillesocial.com domain.

We may require that all fees payable to us be paid through an Electronic Depository Transfer Account ("EDTA"). Even if we do not require payment through an EDTA, we reserve the right to charge you an additional fee for the use of any other payment instrument. This additional fee will cover our additional expenses from processing a non-EDTA payment to us or any third party.

Unless otherwise stated, all fees are imposed by, payable to, and collected by us. Unless otherwise designated as optional, all fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. We mandate several fees for third party services and it is your duty to pay such fees. All fees payable to us are non-refundable. Whether fees paid to third parties are refundable would depend on their policies. Unless otherwise stated, all fees are uniformly imposed and collected.

NOTES

[1]Royalty Fee: As a Franchisee, you are obligated to pay us a percentage of your sales as compensation for your rights as a Franchisee (the "Royalty"). The Royalty rate is currently set at 6% of your Gross Sales as calculated per calendar month for the entire term of the Franchise Agreement. The Royalty obligation begins immediately on the first month your Business is open for operation. The Royalty is due and payable monthly on the 10th day of each month, to be paid according to our specifications. If you open the Business for operation on the 25th of the month or any time until the 25th of the next month, then your Business will be deemed to have opened during the immediately following calendar month. For example, if you open your Business on January 26th, then we would consider February as your first month in operation and since there are no Royalties due for your first month, your royalty payments would begin in March for your February Royalty obligation. If your Franchise Agreement is terminated, you will be required to continue Royalty payments for the remaining term of your Franchise Agreement.

Royalty fees shall be payable to us by direct deposit from franchisee's account. See the Direct Deposit Agreement, attached herein and incorporated as Schedule 5 of the Franchise Agreement. We reserve the right to change the time and manner of payment at any time upon written notice to you. All Royalty fees are non-refundable.

If a state or local law in which your Tapville Social Franchised Business is located prohibits or restricts in any way your ability to pay and/or our ability to collect the Royalty Fee derived from the sale of alcoholic beverages at your Tapville Social Franchised Business (an "Alcohol Restriction Law"), you will be required to pay whatever increased percentages of all Gross Sales not deriving from the sale of alcohol are necessary so that the Royalty Fee you pay equals the Royalty Fee you would pay if you were not subject to an Alcohol Restriction Law.

[2]Technology Fee: The total amount paid for the technology fee varies based on the number of self-pour taps, tablets, POS stations, and network access points you have in accordance with the table below:

Tech Fee – Monthly	Monthly
Untappd Digital Board Subscription (one required per location)	$75
Licensing Per Self-Pour Tap	$19
Licensing Per Table Tablet	$24
Licensing Per POS Station	$49
Licensing Per Network Access Point	$9

Licensing for Mobile App Ordering with Customer Companion App	$200

[3]Interest: Interest and late charges begin to accrue on amounts not received within (5) days after the due date. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorney fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Business activities.

[4]Operations Manual: All fees for replacement of lost Operations Manuals shall occur only upon a franchisee's request.

[5]Maintenance and Refurbishment: We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your franchise location, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment. The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests.

[6]Insufficient Funds: We may charge you an insufficient funds fee if any payment you owe is rejected due to insufficient funds in your EDTA, or if any other payment instrument you are authorized to use is rejected for insufficient funds.

[7]Management Fee: Management fees will only be charged when one of our employees, or a third party appointed by us, actively controls the day to day management of your business. The total amount of Management fees that you owe will be determined by the number of days that it is necessary for us to manage your business.
[8]Renewal Fee: Renewal fees are due at the time of renewal of the Franchise Agreement.

[9]Training Fees: Training fees may be imposed on you according with our policies.

[10]Audit Fee: We will assess Audit fees against you if you fail to provide us reports, supporting records, or any other information we require under the Franchise Agreement; or if you understate (or if we have reason to believe you understated) required Royalty payments, technology fee payments, or other amounts owed to Franchisor. The total amount of the audit fees that you pay us will vary depending on the cost of the audit itself (for which you will be entirely liable), and whether you have any unpaid Royalties, technology fee payments, or other monies owed to Franchisor for which you may be penalized in accordance with the Franchise Agreement.

[11]Testing of Products or Approval of New Suppliers: You will be required to obtain our written approval for any product, vendor, supplier, or piece of equipment that you wish to use in the operation of your Business (as described in Item 8) and you will be charged an assessment fee for the examination of any product, vendor, supplier, or piece of equipment submitted to us for approval. This fee is up to, but not in excess of, $1,000 for any single product, vendor, supplier, or piece of equipment you wish to offer, use, and/or substitute in your operation of the Business. We may waive these fees at our sole and absolute discretion if the equipment, products, vendors and/or suppliers you select meet our requirements and are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations.

[12]Transfer Fee: The term "transfer" means any of the following: the sale of 20% or more of the assets of your franchise; the sale, assignment, or conveyance of 20% or more of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.

[13]Indemnification: You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, or losses arising out of your operation of the Franchised Business brought by third parties, or any default under the Franchise Agreement. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Franchised Business to the extent permitted by law, provided that no indemnification fee shall exceed the actual total costs assessed against us.

[14]Cost of Enforcement: Cost of enforcing the Franchise Agreement fees will be levied against you if we prevail against you in any dispute arising out of the Franchise Agreement or the Regional Area Development Agreement. However, the total amount of any such fees will vary depending on the value of legal fees, expert witness fees, accountant fees, costs to us or our employees in complying or addressing the dispute, and any travel expenses that we deem necessary to resolve the dispute.

[15]Marketing Services – Brick-and-Mortar: Marketing service fees will only be charged if you engage us or our affiliate to provide marketing services under a marketing services agreement. We or our affiliate will control the day-to-day management of your paid advertising on social media and text marketing (see Franchise Agreement at Schedule 10).

[16]Marketing Services – Kiosk: Marketing service fees will only be charged if you engage us or our affiliate to provide marketing services under a marketing services agreement. We or our affiliate will control the day-to-day management of your paid advertising on social media and text marketing (see Franchise Agreement at Schedule 10).

[17]Marketing Services – Mobile: Marketing service fees will only be charged if you engage us or our affiliate to provide marketing services under a marketing services agreement. We or our affiliate will control the day-to-day management of your paid advertising on social media and text marketing (see Franchise Agreement at Schedule 10).

[18]Management Services: Management service fees will only be charged if you engage us or our affiliate to provide management services under a management services agreement. We or our affiliate will control certain aspects of your business operation pursuant to the management services agreement (see Franchise Agreement at Schedule 11).

ITEM 7.
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT FOR A BRICK-AND-MORTAR TAPVILLE SOCIAL FRANCHISED BUSINESS – FRANCHISE AGREEMENT

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee[1]	$44,500		Lump sum	Upon signing your Franchise Agreement	To us
Travel and Living Expenses While Training[2]	$0	$5,000	As arranged	As incurred	To third party
Real Estate Rent Deposits and Pre-Paid Expenses[3]	$10,000	$30,000	As arranged	As incurred	To third party
Furniture, Fixtures, and Equipment[4]	$100,000	$300,000	As arranged	As incurred	To third party
Construction of Leasehold Improvements[5]	$365,000	$1,300,000	As arranged	As incurred	To third party
Inventory and Supplies[6]	$15,000	$25,000	As arranged	As incurred	To third party
Business Licenses and Permits[7]	$5,000	$25,000	As arranged	As incurred, before lease signing	To third party
Insurance (3 months)	$3,000	$5,000	As arranged	As incurred	To third party
Grand Opening Advertising	$3,000	$5,000	As arranged	As incurred	To third party
Architectural/ Engineering[8]	$10,000	$50,000	As arranged	As incurred	To third party
Computer, POS System Technology Equipment[9]	$5,000	$10,000	As arranged	As incurred	To third party
Technology Equipment[9]	$70,000	$90,000	As arranged	As incurred	To Us
Signage[10]	$5,000	$20,000	As arranged	As incurred	To third party
Accountant and Attorney Fees	$750	$1,500	As arranged	As incurred	To third party
Additional Funds (3 months)[11]	$40,000	$80,000	As arranged	As incurred	To third party

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Technology Package[12]	$70,000	$90,000	As arranged	As incurred	To Us
Total Estimated Initial Investment[13]	**$746,250**	**$2,081,000**			

B. YOUR ESTIMATED INITIAL INVESTMENT FOR A NON-FOOD KIOSK TAPVILLE SOCIAL FRANCHISED BUSINESS – FRANCHISE AGREEMENT

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee[1]	$19,500		Lump sum	Upon signing your Franchise Agreement	To us
Travel and Living Expenses While Training[2]	$0	$1,500	As arranged	As incurred	To third party
Real Estate Rent Deposits and Pre-Paid Expenses[3]	$0	$15,000	As arranged	As incurred	To third party
Furniture, Fixtures, and Equipment[4]	$12,500	$35,000	As arranged	As incurred	To third party
Construction of Leasehold Improvements[5]	$25,000	$80,000	As arranged	As incurred	To third party
Inventory and Supplies[6]	$5,000	$10,000	As arranged	As incurred	To third party
Business Licenses and Permits[7]	$2,000	$3,400	As arranged	As incurred, before lease signing	To third party
Insurance (3 months)	$1,500	$3,000	As arranged	As incurred	To third party
Grand Opening Advertising	$1,500	$3,000	As arranged	As incurred	To third party
Architectural/ Engineering[8]	$1,000	$7,000	As arranged	As incurred	To third party
Computer, POS System[9]	$1,000	$2,000	As arranged	As incurred	To third party
Technology Equipment[9]	$13,000	$20,000	As arranged	As incurred	To third party

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Signage[10]	$5,000	$15,000	As arranged	As incurred	To third party
Accountant and Attorney Fees	$750	$5,000	As arranged	As incurred	To third party
Additional Funds (3 months)[11]	$10,000	$30,000	As arranged	As incurred	To third party
Technology Package[12]	$50,000	$80,000	As arranged	As incurred	To Us
Total Estimated Initial Investment[13]	**$147,750**	**$329,400**			

C. YOUR ESTIMATED INITIAL INVESTMENT FOR A FOOD KIOSK TAPVILLE SOCIAL FRANCHISED BUSINESS - FRANCHISE AGREEMENT

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee[1]	$19,500		Lump sum	Upon signing your Franchise Agreement	To us
Travel and Living Expenses While Training[2]	$0	$1,500	As arranged	As incurred	To third party
Real Estate Rent Deposits and Pre-Paid Expenses[3]	$0	$15,000	As arranged	As incurred	To third party
Commercial Kitchen Equipment	$20,000	$40,000	As arranged	As incurred	To third party
Furniture, Fixtures, and Equipment[4]	$12,500	$35,000	As arranged	As incurred	To third party
Construction of Leasehold Improvements[5]	$45,000	$80,000	As arranged	As incurred	To third party
Inventory and Supplies[6]	$5,000	$15,000	As arranged	As incurred	To third party
Business Licenses and Permits[7]	$2,000	$5,000	As arranged	As incurred, before lease signing	To third party
Insurance (3 months)	$1,500	$3,000	As arranged	As incurred	To third party

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Grand Opening Advertising	$1,500	$3,000	As arranged	As incurred	To third party
Architectural/ Engineering[8]	$1,000	$7,000	As arranged	As incurred	To third party
Computer, POS System[9]	$1,000	$2,000	As arranged	As incurred	To third party
Technology Equipment[9]	$13,000	$20,000	As arranged	As incurred	To third party
Signage[10]	$5,000	$15,000	As arranged	As incurred	To third party
Accountant and Attorney Fees	$750	$5,000	As arranged	As incurred	To third party
Additional Funds (3 months)[11]	$10,000	$20,000	As arranged	As incurred	To third party
Technology Package[12]	$50,000	$80,000	As arranged	As incurred	To Us
Total Estimated Initial Investment[13]	**$187,750**	**$366,000**			

D. YOUR ESTIMATED INITIAL INVESTMENT FOR A MOBILE TAPROOM TAPVILLE SOCIAL FRANCHISED BUSINESS - FRANCHISE AGREEMENT

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee[1]	$19,500		Lump sum	Upon signing your Franchise Agreement	To us
Mobile Unit and Modifications[4]	$129,500	$149,500	As arranged	As incurred	To Us
Inventory and Supplies[6]	$5,000	$7,500	As arranged	As incurred	To third party
Vehicle Truck[14]	$0	$50,000	As arranged	As incurred	To third party
Business Licenses and Permits[7]	$2,000	$3,400	As arranged	As incurred, before lease signing	To third party
Insurance (3 months)	$1,500	$3,000	As arranged	As incurred	To third party

Type of Expenditure	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to Be Made
Grand Opening Advertising	$1,500	$3,000	As arranged	As incurred	To third party
Accountant and Attorney Fees	$750	$1,500	As arranged	As incurred	To third party
Additional Funds (3 months)[11]	$5,000	$10,000	As arranged	As incurred	To third party
Total Estimated Initial Investment[13]	**$164,750**	**$247,400**			

NOTES

[1]All fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. We discuss the Initial Franchise Fee in detail in Item 5 of this Franchise Disclosure Document. Your estimated total investment for each additional Tapville Business will be reduced by the reduction in Initial Franchise Fees and possibly other costs such as professional fees and travel expenses.

[2]This estimate is for the cost of two (2) people to attend initial training in Naperville, Illinois. You are responsible for the travel and living expenses, wages, and other expenses incurred by your trainees during initial training. The actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices. We may, in our sole discretion, permit you to attend training virtually, which would render this cost $0.

[3]We anticipate that you will rent the Business's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Business already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate. We recommend a location with 4,500 to 5,500 square feet for a Brick-and-Mortar Tapville Social Franchised Business and 150 to 240 square feet for a Kiosk Tapville Social Franchised Business.

[4]The furniture, fixtures, and equipment necessary for the operation of a Tapville Social Business includes all furniture, sinks, tables, display cases, refrigerators, smallware, and miscellaneous other kitchen items, many of which may be leased. You must purchase certain equipment meeting our specifications to be used in the Franchised Business, including televisions, security cameras, food service equipment, etc. Does not include freight or installs. Based on where the location is geographically, the number will vary.

For a Mobile Taproom Tapville Social Business, this estimate is based on your purchase of a custom-built, non-motorized trailer that can be moved by a motorized vehicle.

[5]The cost of leasehold improvements depends upon the condition and size of the leasehold, the local cost of contract work and the location of the Franchise. The estimated figures include remodeling walls, ceilings, floors, and other construction including electrical, plumbing and carpentry work. This

amount will vary based on the condition of the existing leasehold. Many locations are built in existing structures, while many others are new build-outs. You will incur expenditures in this category if you take over space which was occupied by a prior tenant. It is difficult, if not impossible, to estimate what it might cost to improve existing property. Tenant improvement allowances, if any, paid to you may defray a portion of build-out costs.

[6]Opening inventory of products and supplies will vary based on expected volume of business and size of storage areas in the leasehold.

[7]Estimated costs of obtaining required licenses and permits to operate your business, including liquor license. Some costs may vary depending on the location of the Franchised Business.

For a Mobile Taproom Tapville Social Business, this estimate includes the cost of acquiring business licenses and permits. You are required to pay all federal and state tax, title, licenses, and other costs of titling the Mobile Unit. The estimates above include a sales (or usage) tax of an estimated six percent (6%) of the purchase price of the Truck. The actual amount may be more depending on the tax rate in the jurisdiction where you title your Mobile Unit. You should check with your local county clerk's office or other governmental titling office for your state's tax rate and exact cost to title and license your Mobile Unit. Your costs will vary depending upon your Mobile Taproom Tapville Social Business.

[8]The architect will provide architectural services relating to the building.

[9]You must purchase computer systems and certain technology pursuant to our specifications. You will pay us a monthly fee to maintain in force certain technology systems, including, but not limited to, Self-Service and Self-Pour technology licensing, Guest Mobile App, Squarespace, and Untapped, to manage web pages, reservations, marketing, and digital menu systems within the Franchised Business.

[10]The cost of signs may vary depending on the type, size, and location of the signs, and may also be affected by municipal restrictions.

[11]You must maintain adequate reserves and working capital sufficient for your Business.

[12]You must purchase the technology package through us. The technology package includes the critical components of technology that are required to operate your Franchised Business. If you are purchasing a Brick-and-Mortar Tapville Social Franchised Business, the technology package includes the millwork accompanying the technology display. If you are purchasing a Kiosk Tapville Social Franchised business, the technology package includes, the millwork and refrigeration accompanying the technology display. The computer systems and technology must meet our specifications. You will pay us a monthly fee to maintain certain technology systems, including, but not limited to, self-service and self-pour technology licensing within the Franchised Business.

[13]We relied on our Affiliate's experience in the format of the franchise business to compile these estimates. You should review these figures carefully with your business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment.

[14]The use of a Truck or similar Vehicle with a minimum of 10klb towing capacity is required in the operation of your Mobile Taproom Tapville Social Business.

E. BRICK-AND-MORTAR TAPVILLE SOCIAL AREA DEVELOPMENT AGREEMENT

Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee[2]	$89,000 (3 Units)	$133,500 (5 Units)	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business[3]	$746,250	$2,081,000	See Chart 7(A) above.		
Total Estimated Initial Investment	**$835,250**	**$2,216,000**			

F. NON-FOOD KIOSK TAPVILLE SOCIAL AREA DEVELOPMENT AGREEMENT

Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee[2]	$39,000 (3 Units)	$58,500 (5 Units)	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business[3]	$147,750	$329,400	See Chart 7(B) above.		
Total Estimated Initial Investment	**$186,750**	**$387,900**			

G. FOOD KIOSK TAPVILLE SOCIAL AREA DEVELOPMENT AGREEMENT

Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee[2]	$39,000 (3 Units)	$58,500 (5 Units)	Lump Sum	Upon entering into Area Development Agreement	Us

Initial Investment for Your Initial Franchised Business[3]	$187,750	$366,000	See Chart 7(C) above.		
Total Estimated Initial Investment	**$226,750**	**$424,500**			

H. MOBILE TAPROOM TAPVILLE SOCIAL AREA DEVELOPMENT AGREEMENT

Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee[2]	$39,000 (3 Units)	$58,500 (5 Units)	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business[3]	$145,250	$227,900	See Chart 7(D) above.		
Total Estimated Initial Investment	**$184,250**	**$286,400**			

[1]**Generally:** The estimates set forth in Chart 7(E) for a Brick-and-Motar Tapville Social Franchised Business; Chart 7(F) for a Non-Food Kiosk Tapville Social Franchised Business; Chart 7(G) for a Food Kiosk Tapville Social Franchised Business; and Chart 7(H) for a Mobile Taproom Tapville Social Franchised Business assume that you will be entering into an Area Development Agreement for the right to open and operate three to five Franchised Businesses within a Development Area and the cost of opening the first Franchised Business.

[2]**Development Fee:** The Area Development Fee ranges from $89,000 to $133,500 for three to five units for a Brick-and-Mortar Tapville Social Area Development and $39,000 to $58,500 for three to five units for a Non-Food Kiosk Tapville Social Area Development, Food Kiosk Tapville Social Area Development and a Mobile Taproom Tapville Social Area Development as explained in Item 5 above.

[3]**Initial Investment for Franchised Business:** This figure represents the total estimated initial investment required to open your initial Franchised Business under the Franchise Agreement you must enter into with us at the same time as the execution of your Development Agreement.

Other than the Development Fee for three to five units, this figure does not include the costs associated with opening a second and subsequent locations which will incur additional costs. This range includes all the estimated fees set forth in Chart 7(A) for a Brick-and-Motar Tapville, Chart 7(B) for a Non-Food Kiosk Tapville, Chart 7(C) for a Food Kiosk Tapville, and Chart (D) for a Mobile Taproom Tapville, except for the full Initial Franchise Fee because you will only be required to pay the remaining balance of the Initial Franchise Fee as described in Item 5 when each subsequent Franchise Agreement is signed if you enter into an Area Development Agreement.

Does not include royalties, technology fees, interest expense, depreciation, or taxes. These figures are estimates of your initial expenses covering the first three months of your operation. Your costs will depend on how well you follow our methods and procedures, your management skills, experience and business acumen, local economic conditions, the local market for our services, the prevailing wage rate, and competition. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8.
RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing

You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Architectural and Engineering Services

You must purchase architectural and engineering services to assist in your build out. You may purchase these services from any qualified vendor.

Computer Hardware, Software, POS System, and Technology Equipment

You must purchase computer hardware and software designated by us, as well as certain equipment and software related to the self-service, self-pour standards of the Franchised Business model. The required list of hardware and software is more specifically described in Item 11. You will set up, maintain, and utilize e-mail capability with an e-mail service designated by us, for the purposes of receiving electronic correspondence from us, other franchisees, and your customers.

Furniture, Fixtures, and Equipment

You must purchase furniture, fixtures, and equipment from us or a supplier that we designate or subject to our specifications. We have designated an exclusive supplier for the proprietary tap systems you will need to operate your Franchised Business. We have also designated an exclusive supplier for the proprietary mobile tap trailer you will use if operating a Mobile Unit. The designated supplier for the tap system and mobile tap trailer may remit to us a flat fee or a percentage of all purchases of these items by you and other franchisees. Due to the proprietary nature of our tap systems and mobile units, you are not permitted to sell your tap system or mobile unit to anyone other than us. Upon expiration or termination of your franchise we have the right to buy back your tap system or mobile unit and you are not permitted to use them for any purpose whatsoever.
Insurance

You are required to obtain the requisite insurance as set forth below:

General Liability Insurance	$1,000,000	Per Occurrence
	$1,000,000	In the Aggregate
Liquor Liability Insurance	$1,000,000	In the Aggregate
Business Property Insurance	Business Property including any Alterations and Additions insured to 100% of the total replacement cost values	Must include Windstorm and Hail coverage

Business Income/Extra Expense	Actual Loss Sustained for 12 months	
Valuable Papers and Records	$2,500	Per Occurrence
Comprehensive Crime and Employee Dishonesty Insurance	$25,000	Per Occurrence
Money and Securities	$2,500/Inside $5,000/Outside	

Inventory and Supplies

You must purchase inventory and suppliers from an approved supplier or pursuant to our specifications.

Leased Location

You will need a site in which to operate the franchised business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You may lease from any landlord.

Leasehold Improvements

You may purchase leasehold improvements from any supplier but must build out your location pursuant to our specifications.

Mobile App

You must use guest mobile app services through our Affiliate, Ultcede, LLC.

Signage

You must purchase signage pursuant to our specifications, which may include a vendor designation.

Whether we or our Affiliates are Approved Suppliers:

We are an approved supplier of advertising material, but not the sole approved supplier of such items. Our Affiliate, Tapville Tech, LLC, is the sole approved supplier of tap system and mobile unit equipment. Our Affiliate, Ultcede, LLC is an approved supplier, and the sole approved supplier, of certain technology features including customer gift card balance management and storage. Our Affiliate, Tapville Services, LLC is an approved supplier, but not the sole approved supplier, of marketing, training, and accounting support.

Officer Interests in Suppliers:

Our CEO, Joseph Tota, owns an interest in us and in our Affiliates, Ultcede, LLC, Tapville Tech, LLC, and Tapville Services LLC.

Alternative Suppliers:

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We charge our any costs incurred, up to $1,000, to test another supplier that you propose. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. Your request must include sufficient specifications, photographs, drawings and other information and samples to enable us to determine whether supplier meets our specifications. Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

We will derive revenue from the required purchases and leases by you and other franchisees. As of December 31, 2023, we received $4,401 in rebates/referral fees, which represents .83% of our total revenues of $525,494, from required purchases or leases, and other revenue from franchisee purchases during our previous fiscal year. In addition, as of December 31, 2023, we or our affiliates received $1,312,033 from equipment sales and related sales to franchisees during our previous fiscal year. These figures represent 90.6%, of our total revenues of $1,447,503. Our affiliates do not derive revenues from required purchases or leases.

Other than these amounts, neither we nor our affiliates derived revenue from required purchases in the last fiscal year.

Required Purchases as a Proportion of Costs:

We estimate that approximately 70% of your expenditures for leases and purchases in establishing your Franchised Business will be for goods and services that must be purchased from us, an Affiliate, an approved supplier, or from another party according to our standards and specifications. We estimate that approximately 30% of your expenditures on an ongoing basis will be for goods and services that must be purchased either from us, an Affiliate, an approved supplier or another party according to our standards and specifications.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

As of December 31, 2023, we received $4,401 in rebates/referral fees, which represents .83% of our total revenues of $525,494, from required purchases or leases, and other revenue from franchisee purchases during our previous fiscal year. In addition, as of December 31, 2023, we or our affiliates received $1,312,033 from equipment sales and related sales to franchisees during our previous fiscal year. These figures represent 90.6%, of our total revenues of $1,447,503. Our affiliates do not derive revenues from required purchases or leases.

Other than these amounts, neither we nor our affiliates derived revenue from required purchases in the last fiscal year.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

Franchisee's Obligations	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	2 and 5	2, 4	11, 12
b. Pre-opening purchases/leases	5, 13, and 15	2, 4	7, 8, 11
c. Site development and other pre-opening requirements	2, 3, 5, 8, and 10	2, 3, 4	11
d. Initial and ongoing training	8	Not Applicable	11
e. Opening	4, 5, 11, and 13	4	11
f. Fees	3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23	3, 8, 9	5, 6, 7, 8, 11
g. Compliance with standards and policies/Manual	6, 7, 9, 10, and 13	2, 4, 6	8, 11, 14, 16

Franchisee's Obligations	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
h. Trademarks and proprietary information	6, 7, and 9	6	13, 14
i. Restrictions on products/ services offered	6 and 13	Not Applicable	8, 16
j. Warranty and customer service requirements	13	Not Applicable	16
k. Territorial development and sales quotas	Not Applicable	4	12
l. Ongoing product/service purchases	13	Not Applicable	8, 11
m. Maintenance, appearance & remodeling requirements	3, 10, and 13	Not Applicable	6
n. Insurance	15	Not Applicable	6, 7, 8
o. Advertising	11	Not Applicable	6, 7, 8, 11
p. Indemnification	21	10	6
q. Owner's participation/ management/staffing	8 and 13	Not Applicable	15
r. Records and reports	12	Not Applicable	11
s. Inspections and Audits	6 and 12	Not Applicable	6, 11, 13
t. Transfer	18 and 19; Schedule 1	9	6, 17
u. Renewal	4; Schedule 1	Not Applicable	17
v. Post-termination obligations	17, Schedule 2	8	17
w. Non-competition covenants	7, 9, and 17; Schedule 2	6, 8	17
x. Dispute resolution	23, Schedules 2, 3	10	17

ITEM 10.
FINANCING

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

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

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

1. Before you open your Franchised Business, we will:

a. Provide an initial training program. This training does not include any professional licenses, certification, or other training you must possess and/or complete before you can operate the Franchised Business. (Section 8.1 of the Franchise Agreement).

b. Provide to you opening assistance and guidance to assist you with any questions you may have in operating and establishing the Franchised Business. (Section 8.2 of the Franchise Agreement).

c. Provide you with access to our e-learning platform where the Operations Manual is stored. The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit E to this Disclosure Document. (Section 9.1 of the Franchise Agreement). The Operations Manual contains a total of 115 pages.

d. Provide assistance and guidance in establishing prices for products and services. The Company's Operations Manual shall provide you with a list of minimum and maximum prices for the sale of the products and services to be offered by you. (Section 9 and 13 of the Franchise Agreement).

2. After the opening of the Franchised Business, we will:

a. Offer you guidance and/or training. We offer you advice and guidance on a variety of business matters, including sales techniques, operational methods, accounting procedures, as well as marketing and sales strategies. (Section 14.1 of the Franchise Agreement).

b. Make available to you ongoing training as we think necessary. (Sections 8.4 of the Franchise Agreement). Ongoing training programs are described later in this Item.

c. Provide you with modifications to the Operations Manual as they are made available to franchisees. (Section 9.2 of the Franchise Agreement).

3. Advertising and Promotion:

a. Each month, you will be required to spend 1.5% of your Gross Sales on your local advertising, promotions, and public relations in the local area surrounding the franchised business. Franchisor may, subject to its sole discretion, allow a Franchisee to directly control elements of the local advertising program, including designing their own materials, using their own materials, or designing an advertising program. In no event does Franchisor grant the Franchisee any control of the advertising without first obtaining the Franchisor's express written permission; such permission not to exceed 15 days without the express written extension of approval by the Franchisor. Franchisor shall have the right to review all marketing materials and must approve such materials prior to their use. (Section 11.1 of the Franchise Agreement).

b. You are required to spend approximately $3,000 to $5,000 for Grand Opening Advertising for the Brick-and-Motor Tapville Franchised Business and you are required to spend approximately $1,500 to $3,000 for Grand Opening for the Kiosk Tapville Social Franchised Business and the Mobile Taproom Tapville Social Franchised Business prior to opening. (Section 11.2 of the Franchise Agreement).

c. You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator www.tapvillesocial.com that provides information about the System and about Tapville Social franchises. We may provide you with a page on our home page, where we will have contact information and pricing for your location. All information posted on Tapville Social website or any linked webpages must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. You are restricted from responding to any type of online review unless you obtain our prior written consent. We retain the sole right to approve any linking to, or other use of, the Tapville Social website. You are not permitted to use a domain name containing “Tapville Social” in the URL. (Section 11.3 of the Franchise Agreement).

d. At this time, we do not require you to participate in a local or regional advertising cooperative, but we may do in the future. Other than the requirements set forth above, you are not currently required to participate in any other advertising fund.

4. Computer:

You must lease or purchase and use any hardware and software programs we designate. (Section 12.5 of the Franchise Agreement). Presently, we require you to purchase the following hardware and software for a Brick-and-Mortar Tapville Franchised Business, but this may vary:

Hardware
4 terminals; kitchen terminal; kitchen printer; 24 tablets/RFID readers for beer wall; 25 tablets/RFID readers for customer tables
2 Cash Drawers, 4 RFID Readers, 4 Printers; 4 Credit Card terminals
Software
Untappd, Pandora, Deputy, Self-Pour and Self-Service Technology

The approximate cost of the hardware and software ranges from $75,000 to $85,000.

Presently, we require you to purchase the following hardware and software for a Kiosk Tapville Franchised Business and a Mobile Taproom Tapville Franchised Business, but this may vary:

Hardware
1 terminal, 1 printer, 1 RFID Printer, 1 Cash Drawer, 1 Credit Card Terminal, 6 tablets/RFID Readers for beer wall
Software
Untappd, Deputy, Self-Pour and Self-Service Technology

The approximate cost of the hardware and software ranges from $14,000 to $22,000.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must maintain your computer systems in good working order and must replace, update, or upgrade your hardware systems as we require. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately $1,000.

Independent Access to Information. We have a right and you are required to provide us with independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. (Section 12.5 of the Franchise Agreement).

1. Site Selection Assistance

We do not generally own the premises and lease it to you. It is your responsibility to select a site pursuant to our guidelines, though we must approve your site selection. We will generally approve or deny your selected location within 15 days, but we maintain the right to take additional time if circumstances demand it. We consider the demographics of the area, traffic patterns, parking, size, physical characteristics of the premises, and lease terms in deciding whether to approve a site or not. You must sign the lease or otherwise secure the legal right to occupy the location, meeting all our state specifications, within 75 days of the signing of the Franchise Agreement. If you do not do so, we may terminate your Franchise Agreement or allow you more time. (Section 5.4 of the Franchise Agreement). If you sign an Area Development Agreement (as defined below), we will designate a "Development Area" for each Franchise Agreement you sign in the Area Development Agreement. The Development Area under each Franchise Agreement is the same as the Site Selection Area, unless otherwise negotiated. Factors that influence the scope of the Development Area are the same as for Site Selection Areas. During the Development Schedule, that Development Area will be afforded the same protections as your Designated Area. But, once you open each Tapville Business under the Development Agreement, the Development Schedule and the Development Area ceases to exist and your rights and protections are governed only by your Franchise Agreements as each relates to your Designated Area for each of your Tapville Businesses.

2. Typical Length of Time Before Operation

You must open your franchised business and be operational within 150 days from executing the Franchise Agreement. The foregoing notwithstanding, we reserve the right to grant extensions to the Time Before Operations period at our sole and absolute discretion, we are in no way obligated to consider such extensions in any case. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions, and attending training. (Section 5.4 of the Franchise Agreement).

3. Training

We provide you all training programs that cover material aspects of the operation of the Franchised Business. The topics covered are listed in the chart below. This training is offered on an as needed basis at our headquarters in Oakbrook, Illinois and either the Naperville, Illinois restaurant or Rosemont, Illinois kiosk, or another franchisor training center we designate. You must satisfactorily complete the initial training approximately three (3) weeks before the opening of the Franchised Business. Up to 4 people may attend this initial training. The time frames provided in the chart are estimates of the time it will take to complete training. We do not charge for the initial training. You must pay for all travel costs and living expenses for yourself and any of your attendees. If you replace your helper he/she must attend our training program. You will be charged for additional training, as provided for in Item 7. This initial training is in addition to the on-site opening assistance we provide to you. Your Franchised Business must at all times either be under your day-to-day supervision as the Owner/Operator, or by an approved manager who has satisfactorily completed our training program. Additional training shall be at a cost of $250 per person per day if at our location, or $250 per person per day if the training is at your location (plus costs of travel, air fare and incidentals).

TRAINING PROGRAM: BRICK-AND-MOTAR TAPVILLE

Subject	Hours: Classroom Training	Hours: On-the-Job Training	Location
Introduction to Tapville Social	1	2	Naperville, Illinois
		2	Franchisee's Location
Understanding Tapville Social & its Services	2	2	Naperville, Illinois
		2	Franchisee's Location
Permits & Coding Compliance	2	2	Naperville, Illinois
		1	Franchisee's Location
Operations Management	8	8	Naperville, Illinois
		32	Franchisee's Location

Technology Systems	2	4	Naperville, Illinois
		16	Franchisee's Location
Kitchen Operations	2	24	Naperville, Illinois
		24	Franchisee's Location
Bookkeping	2	2	Naperville, Illinois
		2	Franchisee's Location
Do's and Don'ts	2	2	Naperville, Illinois
		2	Franchisee's Location
Marketing and Advertising	1	2	Naperville, Illinois
		4	Franchisee's Location
Totals	**22**	**48**	**(Franchisor's location)**
		85	**(Franchisee's location)**

TRAINING PROGRAM: KIOSK

Subject	Hours: Classroom Training	Hours: On-the-Job Training	Location
Introduction to Tapville Social	1	2	Naperville, Illinois
		1	Franchisee's Location
Understanding Tapville Social & its Services	2	2	Naperville, Illinois
		1	Franchisee's Location
Permits & Coding Compliance	2	2	Naperville, Illinois
		1	Franchisee's Location

Operations Management	8	8	Naperville, Illinois
		8	Franchisee's Location
Technology Systems	2	4	Naperville, Illinois
		4	Franchisee's Location
Kitchen Operations	2	2	Naperville, Illinois
		2	Franchisee's Location
Bookkeping	2	1	Naperville, Illinois
		1	Franchisee's Location
Do's and Don'ts	1	1	Naperville, Illinois
		1	Franchisee's Location
Marketing and Advertising	1	1	Naperville, Illinois
		1	Franchisee's Location
Totals	**21**	**23**	**(Franchisor's location)**
		20	**(Franchisee's location)**

TRAINING PROGRAM: MOBILE

Subject	Hours: Classroom Training	Hours: On-the-Job Training	Location
Introduction to Tapville Social	1	0	Virtual Training

Understanding Tapville Social & its Services	2	0	Virtual Training
Permits & Coding Compliance	2	0	Virtual Training
Operations Management	10	8	Naperville, Illinois
Technology Systems	5	6	Naperville, Illinois
Trailer Operations	2	2	Naperville, Illinois
Bookkeeping	1	0	Naperville, Illinois
Marketing and Advertising	5	1	Naperville, Illinois
Totals	**28**	**17**	**(Franchisor's location)**

In addition to training at Franchisor's location, Franchisor will send training personnel to Franchisee's location for up to one week prior and immediately after Franchisee's Grand Opening for on-site training and assistance for newly hired staff.

All persons attending the initial training program must complete the program to our satisfaction. If you cannot complete the program to our satisfaction, we may terminate the Franchise Agreement. (Section 8.3 of the Franchise Agreement). Note, the hours of training on the above chart may overlap and be provided concurrently, at our discretion. Training may take place with a group of Franchisees and is not guaranteed to be exclusive to You.

Joseph Tota currently oversees the trainings. Mr. Tota has served as our Founder and CEO since our inception in December 2018. Mr. Tota has served as Founder and CEO of our Affiliate, Red Arrow Tap Room, LLC, since its inception in March 2016. Mr. Tota has also served as the CEO of our Affiliate, Ultcede, LLC in Elmhurst, Illinois since February 2016. Other Tapville Social managers may participate in the training, including on-site training at our affiliate location. Also, we may periodically name additional or substituted trainers with restaurant and self-pour tap experience.

The principal instructional materials will consist of the Operations Manual.

Periodically, you, your managers and/or employees must attend refresher-training programs to be conducted at a location we designate or by webinar, at our discretion. Attendance at these programs will be at your expense; however, you do not have to attend more than 2 of these programs in person in any calendar year and these programs will not collectively exceed 4 full days during any calendar year (including both in person training and webinar training). (Franchise Agreement, Section 8.4).

4. Other Assistance

We do not provide assistance with providing equipment, signs, fixtures, opening inventory, and supplies. We do not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees. We generally do not own the premises that you lease. We are not required to, but may in our sole discretion, spend money on advertising in your Territory.

There is currently no advertising council composed of franchisees. We currently do not require a local or regional advertising cooperative; however, in the event we do, we reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity participate in local advertising programs or cooperatives. We will personally direct and coordinate all online and web advertising for Tapville Social business brand. All advertising programs, whether local, national, international, online or physical, as well as any accompanying policies are our proprietary trade secrets and you shall make every effort to preserve their confidentiality. Such programs may refer acquired customers to certain Territories or to certain designated franchisees at our discretion.

ITEM 12.
TERRITORY

You must operate your Business within the specific location identified in your Franchise Agreement. You are awarded a territory (the "Territory") that will encompass the lesser of a 3-mile radius from your Tapville Social Franchised Business or a land area with a population of 50,000 people. We reserve the right to grant each franchisee a territory on a case-by-case basis in order to account for the unique features of each geographic marketplace. You may not conduct business at any other site or sites other than the Territory as described in your Franchise Agreement, or any additional part of the Territory that may be added by an addendum attached to your Franchise Agreement. You may not relocate your business within the Territory without our express written consent. While you must conduct your business at the primary location, you may also conduct additional activities to sell products and/or provide services (for example at promotional events, charity events, etc.), so long as such events are within your Territory. You may conduct business at off-site events in other geographical areas where there is not a Tapville Social Business only after providing notice to us and after obtaining our explicit written approval; however, you cannot perform Target Marketing, as described below, outside of your Territory. You may sell and deliver products or services to customers located outside your Territory if, and only if, such sales of products or services are made within your Territory.

We shall approve or deny any request to conduct off-site events outside of your Territory within three (3) business days of receipt of your request, such request and our response to same shall be in writing or by email. If we approve your request to conduct business at off-site events outside the Territory, you must be prepared to immediately lose any accounts or operations you have established in the outside geographical area if and when that area is purchased by any other franchisee, and you shall immediately refrain from conducting any business whatsoever is at such off-site events.

If you are operating a Mobile Unit, you may operate at events and activities such of fairs, sporting events, conventions, rodeos, festivals, trade shows, grand openings, and seminars as determined by you, but you may also operate your Mobile Unit at certain permanent, fixed sites that we approve, other than Special Venue Locations. The term "Special Venue Locations" means airports, train stations, universities, collegiate and professional sports and entertainment arenas (including collegiate and professional ballparks and stadiums), movie theaters, military bases, museums, theme parks, casinos, convention centers, zoos and restaurant chains.

We cannot license any other person or entity to locate a Franchise within your Territory during the term of the Franchise Agreement, but your Territory is protected only as to the license type selected in the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Your licensed Territory is determined by population, competition, traffic patterns, proximity to major roads, demographics of the surrounding area, available parking, market penetration, and/or other conditions important to the successful operation of a Tapville Social Business, as we deem appropriate and as identified in your Franchise Agreement. We retain the right to delineate the exact bounds of your licensed Territory once a primary location is chosen, and such Territory shall not be altered even if there is a population increase or decrease, unless we decide otherwise in our sole and absolute discretion. Your Territory will also not be affected by the number of customers you retain, products or services that you sell, your revenues, or your sales volume. Certain locations, such as major metropolitan areas may have smaller territories due to the relative density of the populated areas. You may not open your primary location in the Territory for your Business until we grant you our explicit written permission. You may not relocate your business or establish additional locations within your Territory until we grant you our explicit written consent, such consent to be given at our sole and absolute discretion. We will base any such consent on traffic patterns at your proposed new location, a study of the local population, and a review of your lease agreement.

If you want to establish more than one franchise with us, you must submit a separate application for each such proposed franchise. You shall pay a fee for each additional acquisition mentioned in Item 5, and you must further be in compliance with all other terms and conditions of the Franchise Agreement. We must also approve the location of any additional Location as contemplated in Items 11 and 12 above.

The Territory described above will affect where you and other franchisees may solicit business. You are encouraged to directly advertise and market for clients located within your Territory. Regardless of any other rights you may have in the Territory, we maintain the right to service clients and sell services and products to anyone from anywhere at our affiliate's location without compensation to you. You are prohibited from soliciting and/or marketing products and services outside of your respective Territory, specifically including Target Marketing within the territory of another Tapville Social operation (including competing franchises and/or a company/affiliate owned businesses). Target Marketing means a concerted effort by a franchisee to solicit and obtain clients through any type of advertisement or marketing, directed at all or a portion of another franchisee's territory ("Target Marketing"). We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

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.

If you are asked any client or organization to conduct business at off-site events in geographical areas outside your Territory in which there is another Franchise or company-owned business, you must immediately refer that request to the Tapville Social Business that is assigned to such outside territory. However, if such other franchisee or affiliated company business gives you explicit permission, you may conduct off-site activities in that outside territory, so long as you also immediately inform us in writing that such permission has been granted. If there is not a Tapville Social Business in that geographical area, then you must submit a written request to conduct business at such off-site event to us and upon our written approval you can proceed. We shall approve or deny your request to conduct business at off-site events in other geographical areas not owned by other franchisees, us or our Affiliates, which approval is in our sole discretion, within three (3) business days of your written request. Our response to your request will be made by email or any other form of written communication. Approval may be revoked at our sole discretion. However, you must be prepared to immediately cease conducting such events in that other geographical area when that unassigned area is no longer unassigned as there is a new franchise location or company owned outlet there.

While the Franchise Agreement is in effect, and while you are not in breach thereof, we shall not license any other person or entity to locate a franchise within your Territory. However, we make no guarantee or promise that you will not face competition from other franchisees in other territories, from other outlets that we may own, or from other channels of distribution or competitive brands that we control. We sell certain products and services, including our "Tap Wall," a beverage distribution system, licensed and sold to businesses outside the franchise system, through alternative channels of distribution (such as online marketplaces). However, we will not permit other franchisees, or company-owned outlets to make sales through alternative channels of distribution in your Territory. We reserve the same right to sell products (including shipping such items) to anyone from anywhere without compensation to you.

If during the term of the Franchise Agreement you are unable to promptly and properly service any of your customers, you must refer such customers to another franchisee, company-owned business, or directly to us. If you fail to refer off-site events or customers as set forth herein, we will have the right to immediately terminate the Franchise Agreement. For any default of the Franchise Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Territory, effective ten (10) days after delivery of written notice to you. In addition, we may modify, or eliminate completely, the Territory. (Franchise Agreement Section 2.4).

We encourage Tapville Social businesses, when owned by different individuals or entities, to work out referral relationships and joint advertising strategies or arrangements if they are within close proximity of each other (close proximity to be defined as any two territories which lie within a twenty-five (25) mile radius of each other). We must be notified in writing of all such arrangements before they go into effect.

We have the exclusive right to negotiate and enter into agreements, or to approve the forms of agreements, to sell services and/or products to any business or organization which owns, manages, controls or otherwise does business in more than one geographic area whose presence is not confined within any one particular franchisee's territory, regardless of the contract amount of the products to be provided or services to be performed (a "National Account"). After we sign a contract with a National Account, we may, at our sole option, directly provide products or perform services to businesses under the National Account contract, even if such sales or services would occur within your Territory, and without compensation to you. At our sole option, we may direct you to provide services and/or products to any National Account and/or direct the National Account to your Franchise for assistance.

We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity participate in local advertising programs or cooperatives. We will personally direct and coordinate all online and web advertising for Tapville Social business brand. All advertising programs, whether local, national, international, online or physical, as well as any accompanying policies are our proprietary trade secrets and you shall make every effort to preserve their confidentiality. Such programs may refer acquired customers to certain Territories or to certain designated franchisees at our discretion.

Any rights not expressly granted to you are reserved to us. Such rights reserved to us include, but are not limited to:

1. Advertise, market, and sell products or services in your Territory;

2. Advertise, offer, and sell products and services through the internet via mobile app and/or other related venues, no matter where the customer is based, to brand the System and/or fulfill the demand in your Territory;

3. Sell, offer, or distribute products or services to anyone from anywhere through any alternative or other channels of distribution other than local facilities providing services and products under the Marks and System, and on any terms and conditions we deem appropriate. We retain this right whether or not we are using the Marks or System, or are acting inside or outside the Territory designated on your Franchise Agreement;

4. Develop, manufacture, and/or distribute any labeled products or services that have been branded with our Mark or logo, or any different brand of products or equipment through any outlet located anywhere (including, by way of illustration, discount warehouses, retail stores, online marketplaces, and/or similar venues) and on any terms and conditions we deem appropriate. If we decide to develop and/or distribute products or services, you will receive no compensation from us for such sales inside your Territory, unless we have agreed otherwise in another signed writing;

5. Implement advertising cooperative programs which may allow us or others to offer products, services, and/or equipment to anyone from any designated franchise or company owned

outlet. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;

6. Own and/or operate, or authorize others to own and/or operate, (a) any business located outside the Territory designated in your Franchise Agreement, whether or not such business shall use the Marks and/or System; (b) any business anywhere, whether or not they shall use the Marks and/or System, which is not substantially similar to the business franchised to you under the Franchise Agreement; and/or (c) any business anywhere which does not use the Marks; and

7. Acquire, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not), located anywhere, including arrangements in which we are acquired and/or us or our franchised businesses (including your own Business) are converted to another format, or if we acquire a similar business which will be maintained under the System or otherwise. You will fully participate in any conversion related to merger or acquisition, whether initiated by us or a third party, and we will reimburse you for reasonable costs directly related to such conversion.

We are not responsible for paying any compensation to you concerning the sale of services over the internet or other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the Franchised Business, or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to offer and/or provide services and products, through any alternative channels of distribution (other than our approved list of channels of distribution) without our express permission or share in any of the proceeds from our activities through alternative channels of distribution.

We have not established, and do not presently intend to establish, other franchises or company-owned businesses, except as disclosed in Item 1 of this Franchise Disclosure Document, that offer similar services or products under a trade name or trademark different than the Marks.

Area Developers:

Under the Area Development Agreement (the "ADA"), you will develop, open and operate multiple Tapville Social Businesses within a defined Development Area (the "Development Area"). We determine the Development Area using the same criteria that we use in deciding the Territory for a Business. However, the Development Area must be able to support the number of Businesses you intend to establish in that area. As a result, the Development Area generally consists of a portion of a city, county, or designated market area. Your Development Area will be described in the ADA before you sign it.

Subject to your compliance with the ADA and all Franchise Agreements, we will not develop or operate, or grant anyone else to develop or operate a Tapville Social business in your Development Area. The reserved rights and limitations described above regarding what we and our affiliates can and cannot do in a franchisee's Territory for a single Franchise are generally the same for the Development Area under the ADA. In addition, we and our affiliates have the right to continue to own and operate, and allow others to own and operate, currently operating Tapville Social businesses existing inside your Development Area as of the date you sign the ADA.

You have no right of first refusal or similar rights to acquire additional franchises or establish additional Businesses that are not in your Development Area. In addition, you will not be entitled to a right of first refusal for any territories that are immediately adjacent to your own which are not in your Development Area. If you wish to obtain an additional location, it must be included in your

Development Schedule and you will be required to enter into a separate Franchise Agreement for such location.

Upon expiration or termination of the ADA, we will be entitled to develop and operate, or to franchise to others the right to develop and operate, Tapville Social Businesses in the Development Area, except within any Territory under any Franchise Agreement between us and you that has not been terminated.

We may terminate the ADA if you: (i) fail to comply with the Development Schedule; (ii) make or attempt to make a transfer or assignment in violation of the ADA; (iii) fail to comply with any terms and conditions of the ADA; (iv) fail to comply with any terms and conditions of any individual Franchise Agreement or any other agreement to which you and we or our affiliates are parties, and do not cure such failure within the applicable cure period (regardless of whether we in fact terminate such Franchise Agreement or any other agreement). For any default of the ADA, as an alternative to termination, we may, at our sole and absolute discretion: (i) modify or completely eliminate any territorial rights that you may have with respect to your Development Area and either operate or grant others to operate businesses within the Development Area; or (ii) reduce the Development Area and Development Schedule to a size and magnitude that we estimate you are capable of operating otherwise in accordance with the ADA (Area Development Agreement Section 7).

ITEM 13.
TRADEMARKS

You receive the right to operate your business under the name "Tapville Social," which is the primary Mark used to identify our System per the limitations set forth in the Franchise Agreement and/or Operations Manual. You may also use any other current or future Marks to operate your franchised business that we designate, including the logo on the front of this Disclosure Document and the service mark listed below. By "Mark," we mean any trade name, trademark, service mark or logo used to identify your business.

Our right to use and license others to use the Marks is exercised pursuant to a ninety-nine (99) year intellectual property license agreement with our affiliate, Tapville Station Franchising, LLC, which entity was converted to the Delaware corporation, Tapville Franchising, Inc. when our current entity (the "IP Agreement"), which, if not renewed, ends on June 29, 2119, and which can be terminated upon thirty-days' notice for a material breach. Under the IP Agreement, we are granted the right to use and to permit others to use the Marks. We have the right to license the use of the registered trademark to you for the term of the Franchise Agreement, including any extensions or renewals.

Our affiliate has filed for registration of the following Mark in the U.S. Patent and Trademark Office ("USPTO") Principal Register:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	PRINCIPAL OR SUPPLEMENTAL REGISTER OF THE USPTO
TAPVILLE SOCIAL	5986449	February 11, 2020	Principal
EMBRACE INDEPENDENCE	5800406	July 9, 2019	Principal
TAPVILLE	6090970	June 30, 2020	Principal

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark. There are no effective agreements that significantly limit our rights to use or license the use of the Marks.

We know of no infringing or prior superior uses that could materially affect the use of the Marks. No registrations have expired, therefore no registrations have been renewed.

You do not receive any rights to the Marks other than the right to use them in the operation of your Franchised Business. You must follow any rules we establish with relation to the Marks. You must use the Marks as the sole trade identification of the franchised business. You cannot use any Mark or portion of any Mark as part of any business entity name. You may not use any Mark in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so. however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised business for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the words "Tapville Social" or any variation thereof without our prior written consent.

We have filed all required affidavits.

ITEM 14.
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Operations Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so. We will not reimburse you for your expenses or provide any form of compensation if we require you to modify or discontinue using any covered copyright.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, recipes, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Tapville Social Business. We will provide our trade secrets and other confidential information to you during training, in the Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only divulge trade secrets and/or other confidential information to employees who must have access to it to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, recipes, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

ITEM 15.
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchisee has no obligation to be the direct, full-time, day-to-day Owner Operator of the Business. If you do not choose to run the Business on a personal basis you have the responsibility to attain and retain the services of a full time, on-site Manager or Operator. While you have the right to select any Manager or Operator, we retain the right to accept or reject any proposed individual or entity as the Business Manager. You will be responsible for the compensation to any individual or entity you contract to act as the Manager of the Business, you have the sole legal responsibility for any dispute relating to such individual or entity. We maintain the right to require any approved Manager to attend and satisfactorily complete our initial training program before opening the Business. You must keep us informed at all times of the identity of your Manager. If you must replace the Manager, your replacement Manager must be approved by us within 60 days, such approval not to be unreasonably withheld – we may additionally require such replacement Manager to attend and complete our training program at your expense.

As described in ITEM 14, certain individuals associated with your Franchised Business, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers, executives, employees, and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all the services and products we specify. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may disapprove of. We may take action, including terminating your franchise if you purchase or sell unapproved products or make purchases from unapproved suppliers. We may periodically change required or authorized services or products. There are no limits on our right to do so, except that your investment required to change required or authorized products or services will not be unreasonably disproportionate to your initial investment.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your Franchised Business.

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of Franchise Term	FA: Section 4.1 ADA: Section 5	FA: The initial term is 10 years. ADA: Term is the date the last Location is required to be opened pursuant to the Development Schedule.
b. Renewal or Extension of Term	FA: Section 4.2 ADA: N/A	FA: You have the right to renew for additional ten (10) year terms. You must pay the renewal fee of 20% of the franchise fee at the time the initial Franchise Agreement was signed. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for Franchisee to Renew or Extend	FA: Section 4.2 ADA: N/A	FA: You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the

		System; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, which may have different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement and pay a renewal fee of 20% of the then current franchise fee.
d. Termination by you	FA: Section 16.1 ADA: Not Applicable	FA: You may not terminate the Franchise Agreement. ADA: Not Applicable
e. Termination by Franchisor without Cause	Not Applicable	Not Applicable
f. Termination by Franchisor with Cause	FA: Section 16.2 ADA: Section 7	FA: We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. ADA: You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreements between you or your affiliates and us or our affiliates.

g. “Cause” Defined – Curable Defaults	FA: Section 16.2.2 ADA: Section 7(B)	FA: If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. ADA: You shall have a 30-day cure period if you are in default of any term of the ADA.
h. “Cause” Defined – Non-Curable Defaults	FA: Section 16.2.1 ADA: Section 7(B)	FA: We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely establish, equip and begin operations of the franchised business; fail to have your Owner Operator satisfactorily complete training; fail to maintain all required professional licenses, permits and certifications for more than 5 business days;

		made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect either party or the Franchised Business; use the Operations Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, other executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-compete agreements; abandon the Franchised Business for 3 or more consecutive days; surrender or transfer control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of an Owner Operator following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 2%; are insolvent; fail on 2 or more

		occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate on 2 or more occasions any health, safety or other laws or operate the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; repeatedly breach the franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement. ADA: We have the right to terminate the ADA if (i) you become insolvent, (ii) you fail to meet the development obligations set forth in the Development Schedule attached as Appendix B, (iii) failure to start substantial construction of any of the Locations by the date established in Section 4.C (iv) failure to secure financing for the construction of any of the Locations by the date set forth in Section 4.C (v) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you, or (vi) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

i. Franchisee's Obligations on Termination/Non-Renewal	FA: Section 17.1 ADA: Section 8	FA and ADA: If the Franchise Agreement is terminated or not renewed, you must: stop operating the Franchised Business; stop using any trade secrets, confidential information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of Contract by Franchisor	FA: Section 18.1 ADA: Section 9(A)	FA and ADA: There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by Franchisee – Definition	FA: Section 18.2 ADA: Section 9(B)	FA: "Transfer" includes transfer of an interest in the franchise, the Franchise Agreement or the Franchised Business' assets. ADA: "Transfer" means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material

		portion of your assets, or of any interest in you.
l. Franchisor's Approval of Transfer by Franchisee	FA: Section 18.2 ADA: Section 9(B)	FA and ADA: You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for Franchisor Approval of Transfer	FA: Section 18.2 ADA: Section 9(E)	FA: We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a fee of 30% of the franchise fee or 10% of the sale price, whichever is greater; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the

		Franchise Agreement; and the transferee has agreed that its Owner Operator will complete the initial training program before assuming management of the franchised business. ADA: You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you transfer all of your rights and interests under all Franchise Agreements for Locations in the Development Territory and provided the transferee meets the conditions set forth in the ADA, including good moral standing and completion of the initial training.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Franchised Business	FA: Section 19 ADA: Sections 8(F) and 9(C)	FA and ADA: We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's Option to Purchase Franchisee's Franchised Business	FA: Section 17.4 ADA: Section 8(F)	FA: Except as described in (n) above, we do not have the right to purchase your franchised business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised business for book value. ADA: In the event of termination of the ADA, and provided that you have not developed at least 50% of the required Locations pursuant to the Development Schedule, we have the right to purchase all of your Locations at book value.
p. Death or disability of Franchisee	FA: Section 18.6 ADA: Section 9(D)	FA: After the death or incapacity of an owner of the franchise, his or her representative must transfer,

		subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement. ADA: After the death or incapacity of an owner of the developer, his or her representative must transfer, subject to the terms of the ADA, the individual's interest in the ADA within 6 months of death or incapacity.
q. Non-Competition Covenants During the Term of the Franchise	FA: Section 7.3 ADA: N/A	FA: We have the right to require you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff, and employees to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2. Upon our request, you shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the Franchised Business and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA: Section 17.2 ADA: N/A	FA: For 2 years after the termination or expiration of the Franchise Agreement, you may not offer competitive business services within 25

		miles of any other Business, or planned expansion thereof, or of any other Franchisor owned business; or soliciting or influencing any of our customers, employees, or business associates to compete with us or terminate their relationship with us.
s. Modification of the Agreement	FA: Sections 9.2, 22.7, and 22.8 ADA: Section 10(B) and 10(E)	FA: The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent if the modification does not materially alter your fundamental rights. ADA: The ADA can be modified only by written agreement between you and us.
t. Integration/Merger Clause	FA: Section 22.7 ADA: N/A	FA: Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document, the Operations Manual and/or Franchise Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	FA: Section 23.9; Schedules 2 and 3 ADA: Section 10(F); Appendix E	FA and ADA: You must mediate and arbitrate claims against us.
v. Choice of Forum	FA: Section 23.2; Schedules 2 and 3 ADA: Section 10(F); Appendix E	FA and ADA: Any litigation or arbitration must be pursued in Dupage County, Illinois (subject to applicable state law).
w. Choice of Law	FA: Section 23.1; Schedules 2 and 3 ADA: Section 10(F); Appendix E	FA and ADA: Except as to claims governed by federal law, Illinois law applies (subject to applicable state law).

ITEM 18.
PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19.
FINANCIAL PERFORMANCE PRESENTATIONS

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.

Brick-n-Motar Business – PART I

Background

During the calendar year ended December 31, 2023, our affiliated entity, Craft & Q, LLC d/b/a Tapville Social-Naperville f/k/a Red Arrow Taproom-Naperville ("Craft & Q" or the "Affiliated Entity"), which is listed in Item 1 of this Franchise Disclosure Document, operated a business similar to the Brick-and-Mortar Tapville Social Franchised Business offered pursuant to this Franchise Disclosure Document. This business traded as "Tapville Social" in Naperville, Illinois. Our Affiliated Entity founded this business in 2017 and operated the business from a single location from 2018 through the present (defined below as "Location 1").

> Location 1 is located at 216 S. Washington Street, Naperville, Illinois 60540. Location 1 opened in August 2018. Location 1 is first-floor storefront unit with approximately 4,500 square feet of restaurant space and 250 square feet of patio space (from approximately June-September) in a multitenant, downtown commercial property. Location 1 is representative of the Brick-and-Mortar Tapville Social Franchised Business offered by way of this Franchise Disclosure Document.

The information contained in this Financial Performance Representation presents the results of our Affiliated Entity-owned Location 1, which are substantially similar in size and product offerings to the Brick-and-Mortar Tapville Social Franchised Business franchise offered in this disclosure document, for the periods January 1, 2023 through December 31, 2023. Additionally, the Financial Performance Representation presents the results of the only Brick-n-Mortar Business that operated for the entire period January 1, 2023 through December 31, 2023.

Part I: Definitions

1. "Affiliated Entity" means Craft & Q, which is solely owned by our CEO, Joseph Tota, operates a business similar to the Brick-and-Mortar Tapville Social Franchised Business offered by way of this Franchise Disclosure Document, in Naperville, Illinois under the trade name "Tapville Social." Craft & Q operates the business pursuant to a Franchise Agreement with Tapville, effective as of October 1, 2020.

2. "Gross Revenue" means the total selling price of all services and products sold at Location 1 and all income and revenue of every other kind related to Location 1, whether for cash or credit, but excluding tips and taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks Location 1 gave to customers.

Part I: 2023 Performance of Our Affiliated Entity-Owned Business

During 2023, our Affiliated Entity-owned and operated a business similar to the Brick-and-Mortar Tapville Social Franchised Business offered by way of this Franchise Disclosure Document for the full twelve (12) months of 2023. The monthly Gross Revenue of our Affiliated Entity-location for the year 2023 is set forth in the table below. Also reflected below is the total annual percentage (reflected as a proportion of cost to total profit) of certain operating costs and costs of goods sold, but does not reflect all costs encountered by our Affiliated Entity.

Month	Location 1
January 2023	$189,132
February 2023	$217,921
March 2023	$261,044
April 2023	$292,847
May 2023	$282,115
June 2023	$313,612
July 2023	$306,678
August 2023	$276,603
September 2023	$250,049
October 2023	$229,885
November 2023	$194,646
December 2023	$235,316
Total	**$3,049,848**

Disclosure of Certain Costs as a Percentage of Gross Revenue

Beverage Costs: 8.38%

Beverage costs include all costs associated with sourcing and purchasing all required beverage costs including beer, wine, liquor, soda, and water. It includes products in kegs as well as canned products.

Food Costs: 14.45%

Food costs include all costs associated with sourcing and purchasing all required food products.

Direct Labor Costs: 20.84%

Direct Labor includes all non-managerial labor, whether employee or contracted. This includes all front of house and back of house staff.

Prime Costs: 43.67%

Prime costs are calculated by adding Beverage Costs, Food Costs, and Direct Labor Costs.

Part I: Notes

1. The above Gross Revenues and costs represent the results achieved by our Affiliated Entity, Craft & Q, in calendar year 2023, at a single location.

2. Location 1 is the only location that operated for the full twelve-months of 2023 and is the only results of a Brick-n-Motar location reflected in Item 19. Location 1 is owned by Craft & Q, which our CEO, Joseph Tota, is the sole owner of. Craft & Q operates the business pursuant to a Franchise Agreement with Tapville, effective as of October 1, 2020, pursuant to which Craft & Q pays Tapville royalty payments.

3. These results are unaudited.

4. These results represent sales of products and services similar to those that will be available to a Brick-and-Mortar Tapville Social Franchised Business franchisee to sell.

5. Our Affiliated Entity has been operating a Brick-and-Mortar Tapville Social Franchised Business since August 2018 and has extensive experience operating a full-service restaurant, including an established customer base and significant ordering and inventory experience.

Kiosk Business – PART II

Background

The information contained in this Financial Performance Representation presents the results of our two (2) Kiosk Tapville Social Franchised Business that operated for the entire period January 1, 2023 through December 31, 2023 (the "Kiosk Business"). Additionally, both of these locations are Non-Food Kiosk Tapville Social Franchised Businesses that do not offer any food items for purchase.

Shops at La Catera located in San Antonio, Texas.
Location Footprint: Outdoor, Strolling, Non-Food.

Fashion Outlets of Chicago located in Rosemont, Illinois.
Location Footprint: Indoor, Strolling, Non-Food.

Part II: Definitions

1. "Gross Revenue" means the total selling price of all services and products sold at and all income and revenue of every other kind related, whether for cash or credit, but excluding tips and taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks gave to customers.

2. "High Volume" represents the Location with the highest revenue for the stated month in the chart.

3. "Low Volume" represents the Location with the lowest revenue for the stated month in the chart.

Part II: 2023 Performance of Our Kiosk Business

Month	High Volume	Low Volume
January-23	$ 36,523	$ 27,921
February-23	$ 34,029	$ 27,381
March-23	$ 51,284	$ 32,650
April-23	$ 37,001	$ 32,724
May-23	$ 35,370	$ 28,371

June-23	$ 47,563	$ 26,634
July-23	$ 58,691	$ 27,827
August-23	$ 45,601	$ 25,164
September-23	$ 45,864	$ 25,243
October-23	$ 43,487	$ 25,524
November-23	$ 44,785	$ 31,358
December-23	$ 74,549	$ 48,005
Total	**$ 554,747**	**$ 282,250**

Mobile Business – PART III

Background

The information contained in this Financial Performance Representation presents the results of our three (3) Mobile Taproom Tapville Social Franchised Business that operated for the entire period January 1, 2023 through December 31, 2023 (the "Business"). Additionally, all of these locations operate seasonally and vary in which they operate, therefore, an entire 12-month calendar year cannot be compared for Mobile Taproom Tapville Social Franchised Businesses.

Part III: Definitions

1. "Gross Revenue" means the total selling price of all services and products sold at and all income and revenue of every other kind related, whether for cash or credit, but excluding tips and taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks gave to customers.
2. "Parked Operator" represents a business that remains at one single location for the entire season.
3. "Event Operator" represents a business that travels to events for the entire season.
4. "Parked and Events Operator" represents a business that travels to events and remains parked at specific location(s) for the entire season.
5. "Season" is the duration of time the Mobile Unit was operating during the calendar year of 2023.

Part III: 2023 Performance of Our Mobile Business

Texas Mobile Unit
**Event Only Operator*
Seasonal Operation: 10 Months
49 Events
Average Gross Week $2,330

Connecticut Mobile Unit
*Parked and *Events Operator*
Seasonal Operation: 8 Months
Average Gross Week $2,555

Wisconsin Mobile Unit
Parked Only Operator
Seasonal Operation: 8 Months
Average Gross Week $1,750

*Single Event: High (multiple days) $13,642
Low (single day) $216

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Joseph Tota, 216 S. Washington Street, Naperville, Illinois 60540; 877.312.8277, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	3	+3
	2022	3	11	+8
	2023	11	22	+12
Company-Owned*	2021	3	2	-1
	2022	2	3	+1
	2023	3	3	0
Total Outlets	2021	3	5	2
	2022	5	14	9
	2023	14	25	12

*Company-Owned refers to outlets run by our Affiliates.

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2021 TO 2023

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1**
Connecticut	2021	0	1*	0	0	0	0	1*
	2022	1	1	0	0	0	0	2**
	2023	2	0	0	0	0	0	2
Florida	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1**
	2023	1	0	0	0	0	0	1
Illinois	2021	1	2*	0	0	0	0	3**
	2022	3	1	0	0	1	0	3
	2023	3	1	1	0	0	0	3
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1*	0	0	0	0	1*
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1*	0	0	0	0	1*
Michigan	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1*	0	0	0	0	1*
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	0	0	0	0	0	0	0
	2022	0	4*	0	0	0	0	4*
	2023	4*	6*	1	0	0	0	9
Wisconsin	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1*	0	0	0	0	1*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Total	**2021**	**1**	**3**	**0**	**0**	**0**	**0**	**4**
	2022	**4**	**8**	**0**	**0**	**1**	**0**	**11**
	2023	**11**	**12**	**2**	**0**	**0**	**0**	**21**

* Mobile Tapville Social Franchised Business.
** One unit opened was a Kiosk Tapville Social Franchised Business.

TABLE 4
STATUS OF COMPANY-OWNED* OUTLETS
FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Illinois	2021	3	0	0	0	0	1**	2***
	2022	2	0	0	0	1	0	3
	2023	3	0	0	0	0	0	3
Total	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	1	0	3
	2023	3	0	0	0	0	0	3

*Company-Owned refers to outlets run by our Affiliates.
** One Location was sold and now operates as a Franchised Business.
*** Our Affiliate Craft & Q LLC additionally operates one Brick and Mortar Tapville Social Franchised Business and one Mobile Tapville Social Franchised Business under a Franchise Agreement with Tapville Franchising, Inc., effective as of October 1, 2020.

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	1	1	0
California	4	4	0
Colorado	1	1	0
Connecticut	1	1	0
Florida	4	4	0
Illinois	8	8	0
Indiana	0	0	0
Kentucky	1	1	0
Louisiana	1	1	0
Maryland	0	0	0
Massachusetts	1	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Michigan	1	1	0
Mississippi	1	1	0
Nevada	1	1	0
New York	0	0	0
North Dakota	0	0	0
North Carolina	0	0	0
Ohio	1	1	0
Pennsylvania	2	2	0
Rhode Island	0	0	0
South Carolina	0	0	0
Texas	9	9	0
Virginia	0	0	0
Wisconsin	1	1	0
Total	38	38	0

Exhibit D contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit D also contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21.
FINANCIAL STATEMENTS

Attached as Exhibit C are our audited financial statements as of December 31, 2021, December 31, 2022, and December 31, 2023. Our fiscal year end is December 31.

ITEM 22.
CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit B FRANCHISE AGREEMENT

Schedule 1-General Release
Schedule 2-Nondisclosure and Non-Competition Agreement
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisee Disclosure Questionnaire
Schedule 5-Collateral Assignment of Lease
Schedule 6-ACH Payment Agreement
Schedule 7-Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors
Schedule 8-State Addenda to the Franchise Agreement
Schedule 9-SBA Addendum
Schedule 10 – Marketing Services Agreement
Schedule 11 – Management Agreement

Exhibit F AREA DEVELOPMENT AGREEMENT
Appendix A-Development Territory
Appendix B-Development Schedule
Appendix C-Unlimited Guaranty and Assumption of Obligations
Appendix D-List of Principals
Appendix E-State Addenda to the Area Development Agreement

ITEM 23.
RECEIPTS

Exhibit H contains our copy and your copy of the Disclosure Document Receipts.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS/STATE AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020

Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	New York Secretary of State 99 Washington Avenue Albany, New York 12231
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	

Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT

TAPVILLE FRANCHISING INC.

TAPVILLE SOCIAL
FRANCHISE AGREEMENT

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TAPVILLE FRANCHISING INC.

FRANCHISE AGREEMENT

This Franchise Agreement made this _____ day of ____________, 20___, is by and between TAPVILLE FRANCHISING INC., a Delaware corporation having its principal place of business at 216 S. Washington Street, Naperville, Illinois 60540 ("Franchisor," "Tapville Franchising Inc." "Tapville Social" "we," "us," or "our") and ____________________________, an individual/partnership/corporation/limited liability company established in the State of ____________________ and whose principal address is ________________ __________________________________ ("Franchisee," "you," or "your").

RECITALS

WHEREAS, Franchisor has developed, and is in the process of further developing, a System identified by the service mark "Tapville Social" and relating to the establishment and operation of a self-pour beer taproom and self-service restaurant, kiosk, or mobile unit offering craft beer, wine, cider, and cocktails as well as other beverage and food offerings under a unique proprietary service system; and

WHEREAS, in addition to the service mark "Tapville Social" and certain other Marks, the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; uniform methods of food preparation, procedures and strategies for marketing, advertising and promotion; customer service and development techniques; other strategies and techniques; and Trade Secrets and other Confidential Information; and the Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate a Tapville Social Business using the System and the Marks; and

WHEREAS, Franchisee desires to operate a Tapville Social Business, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with Franchisor's System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"**Affiliate**" means any business entity that controls, is controlled by, or is under common control with Franchisor;

"**Agreement**" means this agreement entitled "TAPVILLE FRANCHISING INC. Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

“**Approved Supplier(s)**” has the meaning given to such term in Section 13.10;

“**Competitive Business**” means any business that offers a features menu items, products, and/or services similar to any of the menu items, products, and/or services offered by Tapville Social Businesses under any service system, or any other mass market restaurant and/or taproom experience, or other dining services that offer the same products as or similar to those provided by Tapville Social businesses or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

“**Confidential Information**” means technical and non-technical information used in or related to the Tapville Social Franchise and not commonly known by or available to the public, including, without limitation, Trade Secrets, methods and products, recipes, customer services techniques and other techniques and methodologies not generally known to the industry or public, and any other information identified or labeled as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

“**Effective Date**” means the date on which Franchisor and Franchisee fully execute this Agreement, thereby commencing its effectiveness and term;

“**Electronic Depository Transfer Account**” means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor;

“**Franchise**” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“**Franchise Fee**” has the meaning given to such term in 3.1;

“**Franchised Business**” means the Tapville Social Business in any form, including a brick-and-mortar restaurant business a kiosk business, or a mobile unit business, to be established and operated by Franchisee pursuant to this Agreement;

“**Franchisee**” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement;

“**Franchisor**” means TAPVILLE FRANCHISING INC., a Delaware corporation;

“**Franchisor Indemnities**” has the meaning given to such term in Section 21.3;

“**Gross Sales**” means the aggregate of all revenue from the sale of services and products from all sources in connection with the Franchised Business, whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any customer of the Franchised Business that is credited by Franchisee in full or partial satisfaction of the price of any products and services offered in connection with the Franchised Business, and (d) any rebate received by Franchisee from a manufacturer or supplier;

"**Gross Sales Reports**" has the meaning give to such term in Section 12.2;

"**Incapacity**" means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"**Internet**" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

"**Marks**" means the service mark "Tapville Social" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with the Tapville Social Business;

"**Operations Manual**" means the Tapville Social Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

"**Royalty Fee**" has the meaning given to such term in Section 3.2.

"**System**" means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of a Tapville Social Business; and

"**Trade Secrets**" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of a Tapville Social Business that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

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2. GRANT OF FRANCHISE; APPROVED FRANCHISED BUSINESS

2.1 Grant

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, the right, license, and privilege to operate a Tapville Social Business, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein to operate a Business that has been assigned a protected territory as set forth in Section 2.4 (referred to as the "Territory"). Along with the right to use solely in connection therewith the Franchisor's Names and Mark, Services, Products, its advertising and merchandising methods, and Franchisor's System, as they may be changed or improved and/or further developed from time to time, only at the accepted location of the Franchisee's Business as set forth in Section 2.2, and provided the Franchisee shall adhere to the terms and conditions hereof.

It is understood and agreed that, except as expressly provided herein or in any other executed agreement, this franchise includes no right of Franchisee to sub franchise.

Except as provided in this Agreement, Franchisee shall be free to use the materials provided by Franchisor in the manner that Franchisee, in Franchisee's sole and absolute discretion, deems most appropriate for the operation of a Tapville Social Franchise, provided that Franchisee shall not violate any applicable law, regulation or provision of this Agreement in exercising such discretion.

2.2 Franchised Business

The street address or geographical description of the area for the Franchised Business (the "Accepted Location") is:

____

____

____

2.3 Sub-Franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as permitted in Section 18, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

2.4 Territory

The exclusive territory which is hereby granted to Franchisee shall be _________________, at ____ (the "Territory"). Franchisee shall be prohibited from operating a franchise outside of the Territory without the prior written consent of Franchisor. It is expressly understood and agreed that Franchisee's Territory is protected (as set forth in this Section 2.4) only as to the license type selected in the Franchise Agreement. Franchisee may face competition from Franchisor's other franchisees or businesses operating other license types within Franchisee's Territory.

(a) If the Parties do not select a Territory prior to the signing of this Franchise Agreement, then they shall agree to it at a later date as contemplated under the terms of this Agreement. Failure to agree on a Territory within THIRTY (30) days of execution of this Agreement, and/or failure of Franchisee to open the Facility within ONE HUNDRED AND FIFTY (150) (or other such date as provided in the Area Development Agreement) days after the execution of this Agreement (or other such dates as provided in the Area Development Agreement, if applicable) shall permit Franchisor to terminate this Agreement, as provided in Section 16. We reserve the right to grant a Territory that is larger than the territory described above in order to account for more densely or sparely populated areas. Franchisee may not conduct business at any other location or locations other than the Accepted Location identified above; however, Franchisee may conduct business at off-site events (for example at transportation expos, travel expos, promotional events, charity events, etc.) to sell Services and/or Products as long as such events are within Franchisee's Territory.

(b) The size of the Territory shall be the lesser of 3 miles around the location or a land area containing 50,000 people. The location will be determined by the number of factors, including the population base, demographics of the surrounding area, traffic patterns, proximity to major roads, available parking, competition, availability of appropriate sites, customer demographics, adequate square footage, reasonable rent, or other conditions important to the successful operation of a Franchised Business as we deem appropriate. The Territory is determined once a location is chosen and approved by us, and will not be altered even if there is a population increase or decrease during the term of this Agreement. The Territory is not dependent upon achievement of certain revenues, number of customers, customers Franchisee retains, market penetration or any other contingency.

(c) Franchisee shall not relocate a Tapville Social Business that has been assigned a Territory, without the express prior written consent of Franchisor. During the term of this Agreement, Franchisor shall not establish, nor license another party or entity to establish, a Tapville Social Business within the Territory. If Franchisee decides to open additional Facilities and buys the rights to additional Franchises, such sale and purchase to be at our sole and absolute discretion, then those separate franchise agreement(s) will dictate the terms of the applicable territory (a separate Franchise Agreement is required for each additional Facility).

(d) Franchisee must operate its Facility within the specific Territory as identified in this Section 2.4. Franchisee may conduct business at off-site events in other geographical areas where there is no existing Tapville Social Business only after providing notice to us and after obtaining our written approval; however, Franchisee cannot perform Target Marketing outside the Territory as further described in Section 2.4 (e) below. We shall approve or deny your request in writing or by email, such approval to be in our sole and absolute discretion, within 3 business days of receipt of your written request to conduct business at off-site events in other geographical areas (outside your Territory) that have not been sold to one or more Franchisee(s). If Franchisor later agrees to sell or assign such outside territory to any other franchisee, Franchisor must immediately relinquish and cease all business activities within the outside geographical area.

(e) Franchisee cannot perform any Target Marketing in any other territory of any Tapville Social franchisee, or of any business owned by an affiliate of the Franchisor. The term Target Marketing means a concerted effort by Franchisee to solicit customers or market products within another franchisee's territory or in any territory operated directly by the Franchisor ("Target Marketing"). Franchisor shall use commercially reasonable efforts to deal with any franchisee that violates this policy. Franchisee is prohibited from selling similar products and conducting similar services through any alternative channels of distribution (such as Websites as defined below) without our written approval.

(f) If Franchisee is asked by a third party to conduct business outside of the Territory (such as at expos, promotional events, charity events, elementary schools, etc.) in geographical areas in which there is another franchisee or Franchisor affiliate-owned business, Franchisee must immediately refer that request to that Tapville Social Business which is located in that outside territory, or directly to Franchisor, except that if the other franchisee or Franchisor affiliate-owned business gives Franchisee permission to conduct business at the off-site event within the outside territory, then that Franchisee may do so if, and only if, Franchisee immediately informs Franchisor of such permission in writing. If there is not a Tapville Social Business located in the outside territory, then the franchisee must submit a request to Franchisor for permission to conduct business within the outside territory. However, Franchisee must be prepared to immediately cease conducting such events in that other geographical area when that unassigned area is purchased by a new Tapville Social franchisee as applicable. Franchisor shall approve or deny Franchisee's request to conduct business at off-site events in other geographical areas not owned by other franchisees, Franchisor or its affiliates; which approval is in Franchisor's sole discretion, within three (3) days of Franchisee's written request.

(g) If, during the term of this Agreement, Franchisee is unable to promptly and properly provide customers services or products due to excessive work or for any other cause, Franchisee must refer that customer to another franchisee, Franchisor affiliate-owned business, or to Franchisor.

(h) If Franchisee fails to: (i) refrain from Target Marketing, or (ii) refer businesses or off-site opportunities to other franchisees as described herein, Franchisor will have the right to terminate this Agreement immediately without fault, as described in section 16.2.1(u) and 16.2.1(v) of this Agreement. For any default of this Agreement which triggers Franchisor's ability to terminate, as an alternative to termination, Franchisor will have the right, in its sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the Territory, effective ten (10) days after delivery of written notice to Franchisee.

We encourage Tapville Social businesses when owned by different individuals to work out a referral and advertising strategy and/or arrangement for both businesses if they are within close proximity of each other (defined as being within a twenty-five (25) mile radius of each other). We must be notified in writing of any consent to all such arrangements.

(i) Franchisor shall have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell services and products to any business including, but not limited to, large businesses, national organizations, or non-profit organizations with outlets located in multiple territories, or government agencies who on their own behalf or through agents, franchisees, or other third parties owns, manages, controls or otherwise has responsibility for products, buildings, or common-services in more than one location whose presence is not confined within any one particular franchisee's territory (a "National Account"). Franchisor may, at its sole discretion, give Franchisee the option to provide services and products to businesses under the National Account contract, including businesses that would otherwise fall outside the Territory. If we choose, then we may direct the National Account to seek such services, products, equipment, and products from you in your Territory. The National Account program is defined as follows:

(i) The term “National Account” means a special class of customers which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for products, buildings or common-services in more than one location whose presence is not confined within any one particular franchisee’s Territory regardless of the aggregate contract amount of Services and/or Products the Franchisee performs or provides. Any dispute as to whether a particular account is a National Account shall be determined by Franchisor in its sole and absolute discretion, and Franchisor’s determination shall be final and binding;

(ii) If Franchisor chooses to grant Franchisee the right to sell services or products to any businesses falling under the National Account, such sales and services shall be provided on the terms and conditions as determined by the Franchisor in its sole and absolute discretion. Franchisee shall have no right to modify the terms or conditions of any service or sales to any business under a National Account, even if such business should give any indication of consent to such modification, shall have the exclusive right, unless otherwise specified in writing, on behalf of itself, Franchisee and/or other franchisees utilizing the Marks, to negotiate and enter into agreements or approve forms of agreement to offer Services and Products to National Account customers, including any affiliate, company-owned, or franchised locations within the Territory;

a) Following the execution of a contract with or the acceptance of a bid by a National Account which contemplates the provision of Services or Products to one or more National Account locations within the Territory Franchisor will, if we choose to provide Franchisee the option to perform Services and/or offer Products pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we in our sole discretion determine;

(iii) If Franchisee elects not to provide Services and/or Products to a National Account or a business under such National Account in conformity with the terms and conditions as communicated by Franchisor, or fails to make an election within the time specified by Franchisor, then Franchisor shall have the right, exercisable in its sole discretion, to:

a) Provide directly, or through any other affiliate utilizing our Mark, Services, and/or Products, to a National Account location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

b) Contract with another party to provide Services and/or Products to a National Account business located anywhere within the Territory, on the terms and conditions contained in the National Account bid or contract between Franchisor and the National Account Member, utilizing Franchisor’s Marks or any trademarks, service marks, or trade names.

(iv) Neither the direct provision by Franchisor (or an affiliate or agent of Franchisor) of Services of Products to National Account customers as authorized in (a) above, nor if Franchisor contracts with another party to provide Services or Products as authorized in (b) above, shall constitute a violation of Section 2.4 of this Agreement relating to the Franchisee's Territory, even if such Services and/or Products are performed or offered from a location within the Territory. Franchisee disclaims any compensation for Services performed or Products provided by others in the Territory pursuant to this section.

(j) Franchisee's rights in the Territory are solely as expressly set forth in this Section 2.4. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control, or impose conditions on the location, operation, or other management of present or future Tapville Social (or any other brand) franchises or Franchisor-owned store units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Territory and whether the offer competing services which may affect Franchisee's operations. Franchisee does not have any rights with respect to other and/or related businesses, services, and/or products, in which Franchisor or any Franchisor-related persons or entities may be involved, now or in the future.

(k) Any territorial rights not expressly granted to the Franchisee are reserved to the Franchisor, whether or not such rights impact the Territory. Such rights reserved to the Franchisor in the Territory include but are not limited to the following:

(i) the right to advertise, market, and sell food related products and conduct similar services in your Territory;

(ii) the right to advertise, offer, and sell food related products and conduct similar services online or through other electronic venues, no matter where the customer is based;

(iii) the right to sell, offer, or distribute food related products or services to anyone from anywhere through any alternative or other channel of distribution, other than through local businesses providing such products under the Marks and System and on any terms and conditions Franchisor deems appropriate. Franchisor maintains this right whether or not the Marks or System used, and regardless of whether Franchisor is acting inside or outside the Territory;

(iv) the right to develop, manufacture, and/or distribute any services or products that have been branded with the Mark, or any separate brand of products or equipment through any outlet located anywhere (including, by way of illustration, discount warehouses, retail stores, online sales and/or similar venues). If Franchisor decides to develop and distribute products or conduct similar services within the Territory, Franchisee will receive no compensation from Franchisor for such sales, unless agreed otherwise by the parties in writing;

(v) implement advertising cooperative programs which may allow us or others to offer services, equipment and/or products to anyone from that franchised or company owned outlet. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;

(vi) own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory as designated on your Franchise Agreement, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and /or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement, and/or (c) any business anywhere which does not use the Marks; and

(vii) acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with businesses located anywhere, including arrangements in which we are acquired, and/or company-owned, franchised or other businesses (including your own Business) are converted to another format or we acquire a similar business which will be maintained under the System or otherwise. You will fully participate in any conversion subject to any person/entity merging with, or acquiring us or when we acquire, reimbursing you for reasonable costs directly related to the conversion.

We are not responsible for paying any compensation to you concerning the sale or providing of services over the Internet, World Wide Web, other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to offer and provide services and/or products through any alternative channels of distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

(l) Franchisee's Territory may be altered during the initial term, but only by: (i) mutual consent of the parties as demonstrated in a writing signed by both parties; (ii) at the time of transfer or renewal as a condition to transfer or renew; or (iii) for any default of this Agreement which triggers Franchisor's ability to terminate as described above.

2.5 License Type

You have elected to purchase the following license type:

________ License for a brick-and-mortar restaurant Tapville Franchise with initial franchise fee of Forty-Four Thousand, Five Hundred Dollars ($44,500);

________ License for a kiosk Tapville Franchise with initial franchise fee of Nineteen Thousand, Five Hundred Dollars ($19,500);

________ License for a mobile Tapville Franchise with initial franchise fee of Nineteen Thousand, Five Hundred Dollars ($19,500).

3. FEES

3.1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a fee ("Franchise Fee") to Franchisor of FOURTY-FOUR THOUSAND FIVE HUNDRED U.S. Dollars ($44,500.00) if Franchisee is operating a brick-and-mortar restaurant and NINETEEN THOUSAND FIVE HUNDRED U.S. Dollars ($19,500) if

Franchisee is operating a kiosk. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is non-refundable. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

You must pay us a security deposit (the "Security Deposit") in the amount of the Franchise Fee no later than five (5) days prior to the intended date of franchise agreement signing (the "Closing"). The Security Deposit will be applied to satisfy your Franchise Fee after Closing, or we will return to the Security Deposit to you within 30 days in the event the Franchise Agreement is not signed.

3.2 Monthly Royalty Fee

(a) For so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a monthly fee ("Royalty Fee") equal to SIX PERCENT (6%) of your monthly Gross Sales. The Royalty Fee is due on the tenth (10th) day of each month (for the prior month) and begins on the first (1st) month after the Business is open for operation and continues for the duration the term of this Agreement. If Franchisee opens the Business for operation on the twenty-fifth (25th) of the month or anytime thereafter until the 25th of the next month, then Franchisee's Business will be deemed opened for operation on the month immediately succeeding the month of the 25th. As an example, if Franchisee opens the Business for operation on January 26th, then the business would be considered to have opened on February as Franchisee's first month in operation, Franchisee's Royalty payments would begin in March for Franchisee's February Royalty obligation. The Royalty Fee is uniform as to all persons and entities currently acquiring a Tapville Social Franchise and is nonrefundable. If the Franchise Agreement is terminated, Franchisee may be required to continue such Royalty payments to the Franchisor. The Franchisee will provide to Franchisor a Gross Sales Report, as required by Section 12.2, for each month during the operation of the Franchise. If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3.4, such reports shall instead be submitted to Franchisor via facsimile transmission, e-mail or intranet system.

(b) Any payment or report not actually received by the Franchisor on or before the specified submission date shall be deemed overdue. If any payment or report is overdue, in addition to the right to exercise all rights and remedies available to it under this Agreement, Franchisor shall be entitled to interest on such amount from the date it was due until paid at the rate of 1.5% percent per month or the maximum rate allowed by the laws of the State in which Franchisee's Business is located or any successor or substitute law (referred to as the "Default Rate"), until paid in full.

(c) Alternative Royalty Fee and Other Payments. If a state or local law in which Franchisee's Franchised Business is located prohibits or restricts in any way Franchisee's ability to pay and Franchisor's ability to collect the Royalty Fee and/or Technology Fee (described below) derived from the sale of alcoholic beverages at the Franchised Business (an "Alcohol Restriction Law"), Franchisee will be required to pay whatever increased percentages of all Gross Sales not deriving from the sale of alcohol necessary so that the Royalty Fee and Technology Fee Franchisee pays equal the Royalty Fee and Technology Fee Franchisee would make if Franchisee were not subject to an Alcohol Restriction Law.

3.3 Taxes

Franchisee shall pay its own taxes as related to the Business.

3.4 Electronic Transfer

Franchisor shall require all Royalty Fees, Technology Fees, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor to be paid through an Electronic Depository Transfer Account ("EDTA"). At Franchisor's request, Franchisee shall open and maintain an EDTA, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the EDTA. Once established, Franchisee shall not close the EDTA without Franchisor's written consent.

3.5 Interest

All Royalty Fees, Technology Fees, amounts due from purchases by Franchisee from Franchisor and other amounts not received by Franchisor within five (5) days after the due date shall incur late fees at the rate of one and one-half percent (1.5%) per month (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower) from the date payment is due to the date payment is received by Franchisor. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Technology Fees, or any other amounts due Franchisor, including reasonable accounting and legal fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

3.6 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Internet Advertising Program Fees, Marketing Fund Contributions, purchases from Franchisor or any other amount owed to Franchisor in any proportion or priority.

3.7 Operations Manual Replacement Fee

Franchisee agrees to pay to Franchisor $250 if Franchisee loses or destroys the Operations Manual.

3.8 Maintenance and Refurbishing of Business

If, after Franchisor notifies Franchisee, and Franchisee does not undertake efforts to correct deficiencies in Store appearance, the Franchisor can undertake the repairs and Franchisee must reimburse Franchisor, payable on demand.

3.9 Insufficient Funds Fee

Franchisee agrees to pay to Franchisor $75 if any payment Franchisee owes is rejected due to insufficient funds in Franchisee's Electronic Depository Transfer Account ("EDTA"), or if any other payment instrument Franchisee uses is rejected for insufficient funds.

3.10 Technology Fee

Franchisee agrees to pay Franchisor a Technology Fee, which fee varies based on the number of self-pour taps, tablets, POS stations, and network access points you have in accordance with the table below:

Tech Fee - Monthly	Monthly
Untappd Digital Board Subscription (one required per location)	$49
Licensing Per Self-Pour Tap	$19
Licensing Per Table Tablet	$24
Licensing per POS Station	$49
Licensing per Network Access Point	$9
Licensing for Mobile App Ordering with Customer Companion App	$200

3.11 Management Fee

Franchisee agrees to pay $250 per person per day plus other costs and expenses to Franchisor when Franchisor or (a third party) manages your store after your default or abandonment.

3.12 National Franchise Convention Fee

Franchisee agrees to pay $500 to Franchisor to attend our National Franchise Convention.

4. TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding for an initial term of TEN (10) years from the Effective Date, unless sooner terminated pursuant to Section 10.6.

4.2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor for successive terms of TEN (10) years each. To qualify for a successor franchise, each of the following pre-conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

4.2.2 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised Business reflects Franchisor's then-current standards and specifications;

4.2.3 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

4.2.4 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.5 Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than nine (9) months nor more than twelve (12) months prior to the end of the term of this Agreement;

4.2.6 Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Technology Fee; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee;

4.2.7 Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any training requirements;

4.2.8 Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Schedule1, of any and all claims against Franchisor, any Affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Business is located; and

4.2.9 Franchisee has paid the renewal fee of 20% of the franchise fee at the time the initial Franchise Agreement was signed.

5. FRANCHISED BUSINESS

5.1 Operation of Franchised Business

Franchisee shall operate the Franchised Business within the Territory from a fixed location (the "Premises"). Franchisee shall manage and administer the Franchised Business from the Premises and shall maintain and store the books and records of the Franchised Business at its headquarters.

5.2 Failure to Develop Franchised Business

Should Franchisee fail to develop the Franchised Business, in accordance with the other provisions of this Section 5 and within 150 days after this Effective Date, Franchisor has the right to terminate this Agreement and retain all fees paid to Franchisor by Franchisee.

5.3 Opening

Before opening the Franchised Business and commencing business, Franchisee must:

(a) fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 5;

(b) furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

(c) complete initial training to the satisfaction of Franchisor;

(d) possess all required state, county, city, and local professional licenses and certifications;

(e) obtain all necessary state, county, city, and local permits and licenses, including any zoning permits needed to operate the Franchised Business from the principal residence of either Franchisee or the Owner Operator;

(f) pay in full all amounts due to Franchisor;

(g) if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(h) obtain Franchisor's permission and approval of an opening date; Franchisor shall not unreasonably withhold consent to open. Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate.

Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within 150 days after the Effective Date. Time is of the essence.

5.4 Failure to Open

Should Franchisee fail to commence operations of the Franchised Business within 150 days after the Effective Date, Franchisor has the right to terminate this Agreement. In addition, we expect you to secure an approved location for the Business within 60 days of the signing of the Franchise Agreement; this includes the requirement of obtaining our approval for your selected location. Generally, we will approve or deny your selected location within 15 days, but we maintain the right to take additional time if circumstances demand it. In addition, you must sign the lease or otherwise secure the legal right to occupy the location, meeting all our state specifications, within 75 days of the signing of the Franchise Agreement. If this Agreement is terminated pursuant to this Section 5.4, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business and shall not be construed as nor considered to be a penalty.

6. PROPRIETARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is exclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its storefront, letterhead, forms, cards and other such identification, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated Tapville Social Franchise" of Franchisee.

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor in writing of any infringement, claim of infringement, unfair competition, or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge, or claim. However, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Indemnification for Use of Marks

Franchisor is not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark.

6.5 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor reserves the right to inspect the Franchised Business at any time without advanced notice.

6.7 Franchisor's Sole Right to Domain Name

Franchisee shall NOT advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Tapville Social" or any variation thereof without Franchisor's written approval. Franchisor is the sole owner of a right, title and interest in and to such domain names. Franchisor shall grant Franchisee a page on its website, www.tapvillesocial.com that will provide contact information and pricing for your Franchised Business.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees therefore, and Franchisee hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Tapville Social franchisees if owners of Tapville Social and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement and for a TWO (2) year period following termination hereof, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

(a) Divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

(b) Own an interest in, manage, operate, or perform services for any Competitive Business within a 25-mile radius from any Tapville Social franchise or Affiliate-owned location.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee, and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the business of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor shall make an initial training program available to a total of 4 employees of Franchisee (if applicable). Approximately THREE (3) weeks prior to the opening of the Franchised Business, the designated persons must attend and successfully complete, to Franchisor's satisfaction, an initial training program pertaining to the operation and administration of the Franchised Business including, but not limited to, sales and marketing methods; financial controls; maintenance of quality standards; customer service techniques; record keeping; and reporting procedures and other operational issues. Initial training will be comprised of up to one week at the corporate location and may be followed by on the field training at the franchisee's territory. Franchisor shall conduct the initial training program at its headquarters or at another designated location. Franchisor shall not charge tuition or similar fees for initial training; however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees.

8.2 Opening Assistance

In conjunction with the beginning of operation of the Franchised Business, Franchisor shall send training personnel to Franchisee's location for up to three days prior to Franchisee's Grand Opening and three days after the Grand Opening for the purpose of familiarizing Franchisee's staff with the Tapville Social techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business. If Franchisee requests additional assistance with respect to the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

8.3 Failure to Complete Initial Training Program

If Franchisor determines that the Franchisee is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement and retain all fees paid to Franchisor by Franchisee. If Franchisee is a business entity and the Manager fails to complete the initial training program to Franchisor's reasonable satisfaction, Franchisee may be permitted to select a substitute manager and such substitute manager must complete the initial training to Franchisor's satisfaction. Franchisee will be required to pay Franchisor's then-current rates for additional training or $250 per day per person, whichever is greater, for providing the substitute manager an initial training program at our location, or our then-current rates for additional training or $250 per day per person, whichever is greater, for training at Franchisee's location (plus hotel, air fare and other expenses incurred by our trainer).

8.4 Ongoing Training

From time to time, Franchisor may provide and if it does, has the right to require that the Franchisee attends ongoing training programs or seminars during the term of this Agreement, at Franchisee's expense of $250 per person per day if ongoing training is at our location, or $250 per person per day (plus hotel, air fare and other expenses incurred by our trainer) if ongoing training is at Franchisee's location. Franchisor shall not require the Franchisee to attend more than two (2) sessions in any calendar year and these sessions shall not collectively exceed four (4) full days during any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with its attendance at such training.

9. OPERATIONS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Operations Manual or grant Franchisee access to an electronic copy of the Operations Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Operations Manual. The Operations Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Operations Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned to Franchisor upon expiration or termination of this Agreement.

9.2 Revisions

Franchisor has the right to add to or otherwise modify the Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Operations Manual is up-to-date at all times. If a dispute as to the contents of the Operations Manual arises, the terms of the master copy of the Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3 Confidentiality

The Operations Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Operations Manual is available at the Franchised Business in a current and up-to-date manner. If the Operations Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Operations Manual in a secure manner at the Franchised Business; if the Operations Manual is in electronic form, Franchisee shall maintain the Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Operations Manual, access to the Operations Manual or any key, combination, or passwords needed for access to the Operations Manual. Franchisee shall not disclose, duplicate, or otherwise use any portion of the Operations Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

Franchisee shall strictly comply and shall cause the Franchised Business and its employees to strictly comply with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Operations Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, equipment or signs. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor; provided, however, that Franchisee shall not be required to make any expenditures during the first year of the initial term or any expenditures which are unreasonably disproportionate to Franchisee's initial investment to establish the Franchised Business during the initial term. If such additional investment is required to be made in the last year of the initial term, Franchisee may avoid making the investment by providing notice of intent not to renew the Franchise unless the investment is in connection with a modification to the System required by law or court order. Franchisee acknowledges that any required expenditures for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2 of this Agreement. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.3 Refurbishment of the Equipment

Every fifth (5th) year after execution of this Agreement, Franchisee, at Franchisor's discretion and upon Franchisor's request, may be required to expend a minimum of FIFTEEN THOUSAND DOLLARS ($15,000.00) for purposes of updating Franchisee's equipment. Franchisor shall provide Franchisee with specifications and assistance in such refurbishment. The obligations described herein are exclusive of the obligations described in Section 10.2.

10.4 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Tapville Social Business. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Local Advertising

11.1.1 Franchisee shall contribute each month the total of 1.5% of Gross Sales from the previous month into local advertising (such advertising to be approved by Franchisor prior to use thereof). Franchisee shall continuously and consistently promote the Franchised Business. Every month, Franchisee shall participate in a variety of marketing and promotions such as door mailings, public relations, online or mobile advertisement, or any other form of marketing within the immediate locality surrounding the Franchised Business, as well as direct sales support when requested by Franchisor.

11.1.2 Franchisor shall oversee all local advertising/marketing programs, with sole control over creative concepts, materials, and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local advertising program. Franchisor does not warrant the4 success or effectiveness of any particular advertising/marketing program.

11.2 Grand Opening Advertising

You are required to spend approximately $3,000 to $5,000 for Grand Opening Advertising for the Brick-and-Mortar Tapville Social Franchised Business prior to opening. You are required to spend approximately $1,500 to $3,000 for Grand Opening Advertising for a Non-Food Kiosk Tapville Social, Food Kiosk Tapville Social and Mobile Taproom Tapville Social Franchised Business.

11.3 Internet Advertising

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. You are restricted from responding to any type of online review unless you obtain our prior written consent. We have an Internet website at the uniform resource locator www.tapvillesocial.com that provides information about the System and about Tapville Social franchises. We may provide you with a page on our home page, where we will have contact information and pricing for your location. All information posted on Tapville Social website or any linked webpages must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Tapville Social website. You are not permitted to use a domain name containing “Tapville Social” in the URL.

12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete, and accurate books, records and accounts in accordance with the standard accounting system prescribed by

Franchisor in the Operations Manual or otherwise in writing. Franchisee shall utilize an accounting software such as Quickbooks.com (or other Franchisor approved accounting software) to manage its books. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law. Franchisee will be required to follow our standard chart of accounts for their bookkeeping purposes.

12.2 Gross Sales Reports

Franchisee shall maintain an accurate record of Gross Sales and shall deliver to Franchisor electronically a signed and verified statement of Gross Sales ("Gross Sales Report") for the month ending each month by the 5th day of each month in a form that Franchisor approves or provides in the Operations Manual. The Gross Sales Report for the preceding month must be provided to Franchisor by the close of business on the 5th of each month as provided in Section 3.2.

12.3 Financial Statements

Franchisee shall maintain an accurate record of Profit and Loss, through Franchisor's standard Chart of accounts, and shall deliver to Franchisor electronically via software of our choosing that Profit and Loss data for the month ending each month by the 20th day of each month. Franchisee shall, at its expense, submit to Franchisor within ninety (90) days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with GAAP, applied on a consistent basis. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Operations Manual or otherwise in writing.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Operations Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor's lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer Equipment

Franchisor reserves the right to require Franchisee to purchase, install and use computer equipment consisting of hardware and software in accordance with Franchisor's specifications. Franchisor shall have full access to all of Franchisee's computer, data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement.

We have a right and you are required to provide us with an independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business.

12.5.1 Online Ordering/Delivery Services. Franchisee shall not, without Franchisor's prior, written approval, provide any online ordering or delivery off the Restaurant premises, either directly or through a specified online or digital ordering and delivery platform (collectively "Delivery Service"), of any food or beverage items. Franchisor further reserves the right to require that Franchisee provide Delivery Service of all approved menu items to customers during the term of this Agreement.

12.5.2 Franchisee acknowledges and agrees that:

(a) Franchisor has the right to condition its approval of any Delivery Service proposed by Franchisee, or Franchisor's required use of a Delivery Service, to be in accordance with Franchisor's then-current delivery standards as set forth in the Manual or as Franchisor otherwise directs in writing from time-to-time;

(b) Such standards may include, but are not limited to, the specified Delivery Service, the requirement that such Delivery Service report sales directly to Franchisor, minimum delivery hours, acceptable methods of payment, product handling, packaging, and food safety standards, other customer service standards, and Franchisor's specification of the minimum and maximum delivery area; and

(c) Franchisee's delivery rights are not exclusive, and other Tapville Social Restaurants may accept delivery orders and provide delivery at any location, including to customers in proximity to Franchisee's Restaurant.

12.5.2 Mobile Applications. Franchisor may establish or use, and require Franchisee to use, one or more mobile applications (a "Mobile App") for online ordering or electronic payments, or any similar or related application for use in connection with the System. The term "Mobile App" shall include any application for use on smart phones, tablets, other mobile devices, computers and/or other electronic devices, and may include a loyalty or reward program or other features. If Franchisor requires Franchisee to use a Mobile App, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) for connecting to, and utilizing, such technology in connection with Franchisee's operation of the Franchised Business. We reserve the right to require that you pay us or a third party for the development or use of any such Mobile App.

12.6 Right to Inspect

Franchisor or its designee has the right, during normal business hours without notice, to examine, copy, and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of one and one-half percent (1.5%) per month (or the rate legally allowed by the law of the state where Franchisee is located, whichever is lower). Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7 Release of Records

Under Right To Inspect, at Franchisor's request Franchisee shall authorize Franchisor and/or its direct third party(s), including accounting and legal professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13. STANDARDS OF OPERATION

13.1 Authorized Products, Services, and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised Business only those services, with the greatest diligence and care by Franchisee, that Franchisor approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from Franchisor. Franchisor shall maintain inventory levels for all supplies offered solely by Franchisor at a level sufficient to ensure prompt delivery to all Franchisees. Franchisee shall NOT offer for sale, sell or provide through the Franchised Business or from the Franchised Business any products or services that Franchisor has not approved. Furthermore, Franchisee must offer for sale all services and products currently offered by Franchisor or which will be offered by the Franchisor in the future.

13.1.2 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor. The cost to review a new product or service as proposed by Franchisee shall not exceed $1,000.00 per product or service.

13.1.3 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to give its consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in Franchisee to provide the same products or services.

13.1.4 Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. Franchisee shall have no entitlement to or interest in any such benefits.

13.1.5 Franchisor shall provide Franchisee, in the Operations Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, furniture, fixtures, inventory, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate. If Franchisee desires to utilize any products, services or new technology that Franchisor has not approved (for products and services that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier, not to exceed $1,000.00. Franchisor will decide within a reasonable time (usually thirty [30] days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

13.2 Appearance and Condition of the Franchised Business

Franchisee shall maintain the service equipment, Premises and signage of the Franchised Business in "like new" condition, and shall repair or replace service equipment, the Premises and signage as necessary to comply with the health and safety standards and specifications of Franchisor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2. Franchisor shall have the right at any time, without notice to Franchisee, to inspect the Premises to ensure compliance with Franchisor's specifications.

13.3 Ownership and Management

The Franchised Business shall, at all times, be under the direct supervision of Franchisee or its approved manager. Franchisee and/or its manager shall devote sufficient efforts to the management of the day-to-day operation of the Franchised Business, but not less than forty (40) hours per week, not excluding vacation, sick leave and similar absences. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

13.4 Days of Operation

Franchisee shall keep the Franchised Business open for business during normal business hours on the days specified in the Operations Manual.

13.5 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). Franchisor may withhold any such consent in its sole and absolute discretion.

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of the Franchised Business, including all zoning and local permits necessary to operate the Franchised Business from the principal residence of Franchisee or its Owner Operator, and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business, including operating in strict compliance with all applicable rules and regulations. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint or has operated outside of applicable rules and regulations, Franchisor has the right to intervene and satisfy the customer. Franchisor has the right to terminate this Agreement for violation of this Section. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Business pursuant to this Section.

13.9 Uniforms

Franchisee shall abide by all uniform and dress code requirements stated in the Operations Manual or otherwise. Uniforms must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

13.10 Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software through approved vendors and shall have arrangements in place with Visa, MasterCard, American

Express and such other credit card issuers as Franchisor may designate, from time to time, to enable the Franchised Business to accept such methods of payment from its customers.

13.11 E-Mail

Franchisee shall, at all times and at Franchisee's expense, maintain an e-mail address and account for communicating with Franchisor. Franchisee may change its e-mail address by giving written notice of such change of address to Franchisor. Alternatively, and at Franchisor's election, Franchisor may set up an email address for Franchisee's benefit, using Franchisor's information, methods, and trade name. Franchisor may charge a maintenance fee, which fee shall be communicated contemporaneous of Franchisor's initiation of the alternative e-mail as mentioned in this section.

13.12 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all products and services provided as part of the System.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems, and offer general guidance to Franchisee by telephone and/or electronic correspondence, with respect to planning and operating the Franchised Business. Franchisor shall not charge for this service. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating Tapville Social businesses and an analysis of costs and prices charged for competitive products and services. Within range, Franchisee shall have the right to change/determine the price to be charged for a particular service by the Franchised Business at the time of sale (if necessary). Notwithstanding, Franchisee acknowledges and agrees that Franchisor shall not be held liable for such advice; any decisions made by Franchisee, whether on its own accord or through suggestion from Franchisor is Franchisee's sole and absolute responsibility.

14.2 Periodic Visits

Franchisor or Franchisor's representative may make periodic visits, which may be announced or unannounced, to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. Franchisor may also accompany Franchisee and/or Franchisee's employees along any job site visits, in order to monitor all business practices and better render any advice or opinions. Franchisor and Franchisor's representatives who visit the Franchised Business or accompany Franchisee and/or Franchisee's employees along job site visits may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report may be provided to Franchisee. Franchisee shall implement any required changes or improvements as required by Franchisor with time being of the essence.

15. INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure within ten (10) days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below, and/or requested by law in their territory/city(s) of operation. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure the following insurance:

General Liability Insurance	$1,000,000	Per Occurrence
	$1,000,000	In the Aggregate
Business Property Insurance	Business Property including any Alterations and Additions insured to 100% of the total replacement cost values	Must include Windstorm and Hail coverage
Business Income/Extra Expense	Actual Loss Sustained for 12 months	
Valuable Papers and Records	$2,500	Per Occurrence
Comprehensive Crime and Employee Dishonesty Insurance	$25,000	Per Occurrence
Money and Securities	$2,500/Inside $5,000/Outside	

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards, or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.3. Upon issuance of a policy and renewal of said policy, Franchisee shall provide to Franchisor, certificates of insurance showing compliance with the foregoing requirements within fifteen (15) days of Franchisee's receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisee

Under no circumstances may Franchisee terminate this Agreement.

16.2 Termination by Franchisor

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

(a) fails to timely establish, equip, and commence operations of the Franchised Business pursuant to Section 5;

(b) fails to have its Owner Operator satisfactorily complete any training program pursuant to Section 8;

(c) fails to maintain all required professional licenses, permits, and certifications for a period exceeding five (5) business days;

(d) made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

(e) is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee, or the Franchised Business;

(f) after notice to cure, fails to refrain from activities, behavior, or conduct likely to adversely affect the reputation of Franchisor, Franchisee, or the Franchised Business;

(g) discloses, duplicates, or otherwise uses in an unauthorized manner any portion of the Operations Manual, Trade Secrets, or any other Confidential Information;

(h) if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by Franchisor;

(i) abandons, fails, or refuses to actively operate the Franchised Business for three (3) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Business or any other event rendering the Premises unusable;

(j) surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in the Franchise of a deceased or incapacitated owner thereof as herein required;

(k) fails to maintain the Franchised Business under the primary supervision of an approved manager during the one hundred and eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 18.6;

(l) submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than two percent (2%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

(m) becomes insolvent, meaning unable to pay bills as they become due in the ordinary course of business;

(n) misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

(o) fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Technology Fee, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

(p) violates on two (2) or more occasions any health or safety law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees, or the public;

(q) engages in any activity exclusively reserved to Franchisor;

(r) fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;

(s) breaches this Agreement 3 times in a 12-month period and/or fails 3 times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Operations Manual, whether or not previous breaches or failures are cured;

(t) defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates;

(u) performs Targeted Marketing in any geographic location outside of the Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other Franchisor-controlled business.

(v) fails to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic location which falls under the territory of other franchisees, Franchisor's associated businesses, or which are directly controlled by the Franchisor.

16.2.2 Except as otherwise provided in Section 16.2.1, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

(a) within five (5) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

(b) within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or

(c) within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing.

16.2.3 For any default of this Agreement which triggers Franchisor's ability to terminate, Franchisor may as an alternative to termination at its sole and absolute discretion, modify or completely eliminate any rights Franchisee may have with respect to the Territory, effective ten (10) days after delivery of written notice to Franchisee.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to Section 16.2.2, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach.

16.5 Right of Franchisor to Operate Franchised Business

Following the delivery of a notice of termination pursuant to Section 16.2.2, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume the operation of the Franchised Business until such time as Franchisee corrects the breach. Franchisor may charge a management fee as stated in the Operations Manual from time to time, currently equal to TWO HUNDRED AND FIFTY DOLLARS ($250.00) per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

(a) immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

(b) cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;

(c) take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the name "Tapville Social" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

(d) pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate, or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by Franchisor as a result of any early termination of this Agreement, and any other amounts due to Franchisor or any Affiliate;

(e) pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(f) immediately return to Franchisor the Operations Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, disclosure statements, and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property);

(g) assign all telephone listings and numbers for the Franchised Business to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor; and

(h) comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 17 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

(a) to protect the Trade Secrets and other Confidential Information of Franchisor;

(b) to induce Franchisor to grant a Franchise to Franchisee; and

(c) to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff, and Owner Operators.

17.2.2 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

(a) offer Competitive Business services located or operating (a) at or within a twenty-five (25) mile radius of the Franchised Business, or (b) within a twenty-five (25) mile radius of any other Tapville Social Business in existence at the time of termination or expiration, or (c) any other business owned or operated by the Franchisor in existence at the time of termination or expansion;

(b) solicit or otherwise attempt to induce or influence any customer, employee or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor; or

(c) In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2.

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 17, 17.1 or 17.2. Franchisee shall make such modifications or alterations to the Franchised Business (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Franchised Business. Franchisee shall make such specific additional changes to the Franchised Business as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Franchised Business for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the obligation), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including improvements, vehicles, service tools and equipment, supplies and other inventory or equipment. The purchase price shall be equal to the assets' book value. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the assets of the Franchised Business or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(a) Franchisee has complied with the requirements set forth in Section 19;

(b) all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;

(c) Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as Schedule 1, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

(d) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business;

(e) the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee, Internet Advertising Program Fee and Marketing Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

(f) the transferee has executed a general release, in a form the same as or similar to the General Release attached as Schedule 1, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

(g) Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

(h) At the time of transfer, Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of the greater of 30% of the initial franchise fee at the time of your purchase of this franchise or 10% of the sale price if the Franchise is being sold, transferred, or assigned to a third party;

(i) the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;

(j) Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

(k) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

(l) Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

(m) the transferee agrees that its Owner Operator shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business.

18.3 Transfer to a Controlled Entity

18.3.1 If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(a) the Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Business;

(b) Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

(c) all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2(h);

(d) the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

(e) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

(f) each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(g) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended transferee identified by Franchisee.

18.5 For-Sale Advertising

Franchisee shall NOT, without prior written consent of Franchisor, place in, on or upon the area of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such one hundred eighty (180) day period, the Franchised Business must remain at all times under the primary management of an Owner Operator who otherwise meets Franchisor's management qualifications.

Following such a death or Incapacity of such person as described in this Section 18.6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor shall be given access to the Franchised Business, even if located within Franchisee's or its Owner Operator's principal residence and shall not be held liable for trespass or any related tort. Franchisor may charge a management fee as stated in the Operations Manual from time to time, currently equal to TWO HUNDRED AND FIFTY DOLLARS ($250.00) per person per day plus other costs and expenses, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 18.6) the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within thirty (30) days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

19.4 Sales or Transfers to Family Excepted

If Franchisee proposes to sell or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve Franchisee from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individual(s) identified in Schedule 6 is/are the sole holder(s) of a legal or beneficial interest (in the stated percentages) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Business operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business by Franchisee. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors, and assigns (collectively "Franchisor Indemnities") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Business; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement.

21.4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee. Franchise agrees to not be a party to class action suit against TAPVILLE SOCIAL FRANCHISING INC., or any of its Affiliates under any circumstances.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to arbitrate all disputes in accordance with Section 23.7. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address, or at such other address as Franchisor may provide:

TAPVILLE FRANCHISING INC.
Attn.: Joseph Tota
216 S. Washington Street
Naperville, Illinois 60540

with a copy to (which shall not be deemed Notice under this Section 22.3):

Brett Buterick, Esquire
The Franchise Firm LLP
225 Wilmington West Chester Pike, Suite 200
Chadds Ford, Pennsylvania 19317

All notices to Franchisee shall be sent to:

____
____
____
____

22.4 Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22.5 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement, its schedules and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.8 Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

23. DISPUTE RESOLUTION

23.1 Choice of Law

This Agreement is effective upon its acceptance in Illinois by our authorized officer. Except as to claims governed by federal law, Illinois law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

23.2 Jurisdiction and Venue

Any action or proceeding brought by Franchisor or Franchisee (and/or any of Franchisor or Franchisee's respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment in a state or federal district court of competent jurisdiction situated in Dupage County, Illinois. Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. Franchisee (and Franchisee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. Franchisee (and each of Franchisee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, Franchisee's location, Franchisor may bring such an action in any state or federal district court which has jurisdiction. Franchisee, on behalf of Franchisee and its affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waives and covenants never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 23.2 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

23.3 Jury Waiver

In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

23.4 Class Action Waiver

You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

23.6 Limitation of Actions

You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

23.7 Prior Notice of Claims

As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

23.8 Internal Dispute Resolution

You must first bring any Claim to our CEO, after providing notice as set forth in Section 23.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

23.9 Mediation

Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

23.10 Waiver of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.11 Attorney Fees

If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

23.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received Franchisor's Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3 True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements, and submissions to Franchisor is true, complete, and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness, and accuracy of such information.

24.4 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Tapville Social Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

24.6 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

TAPVILLE FRANCHISING INC.	**FRANCHISEE:**
Signature: ____________________	Signature: ____________________
Print Name: ____________________	Print Name: ____________________
Title: ____________________	Title: ____________________

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _______________, 20____ by ____, ("RELEASOR") an individual/corporation/ limited liability company/partnership with a principal address of ________________________________, in consideration of:

_______ the execution by TAPVILLE FRANCHISING INC., a Delaware corporation ("RELEASEE"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or

_______ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_______ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE's officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE's successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR's heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: ____
(type/print name)

By: ____

Name: ____

Title: ____
(or, if an individual)

Signed: ____

Name printed: ____

SCHEDULE 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "Agreement" made as of the ____ day of ____________, 20____, is by and between____________ ____, ("Franchisee," "we," "us," or "our") and ______________________________________("Individual," "you," or "your").

W I T N E S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated ______________, 20__ ("Franchise Agreement") by and between Franchisee and the Franchisor, TAPVILLE FRANCHISING INC., ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) restaurant and taproom related products and services the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, recipes compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Tapville Social Business that is not commonly known by or available to the public and that information: (i) derives 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; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to Tapville Social that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Tapville Social Business.

3. Non-Competition

a) During the term of Individual's relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company's service mark "Tapville Social" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Tapville Social or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of a Tapville Social business.

b) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, offer Competitive Business services anywhere within a TWENTY FIVE (25) mile radius of any Tapville Social location without the express written consent of Franchisee and the Company.

c) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Tapville Social Business to compete against, or terminate or modify his, her or its employment or business relationship with, Franchisee, Company or any other Tapville Social Business.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Dispute Resolution

a) **Choice of Law.** Except as to claims governed by federal law, Illinois law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

b) **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters.

c) **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

d) **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

e) **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

f) **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

g) **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

h) **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

i) **Mediation and Arbitration.** Before you may bring any Claim against us court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

j) **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

k) **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

7. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

c) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

d) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

e) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

f) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: ______________________________

Its: ______________________________

INDIVIDUAL:

Signature: __________________________

Name Printed: _______________________

SCHEDULE 3 TO THE FRANCHISE AGREEMENT
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this day of___________, 20____ , by ____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated ___________ herewith ("Agreement") by TAPVILLE FRANCHISING INC., ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ________________________________("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

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

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

<u>Successors and Assigns; Death of Guarantor</u>. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Illinois (without giving effect to principles of conflicts of law).

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the parties as if set forth here and as being equally applicable to this Guaranty and the dealings of the parties hereunder.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

____
Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____
____

TELEPHONE NO.: _________________

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___________%

PERSONAL GUARANTOR

____
Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____
____

TELEPHONE NO.: _________________

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___________ %

PERSONAL GUARANTOR

____
Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____
____

TELEPHONE NO.: _________________

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___________%

PERSONAL GUARANTOR

____
Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____
____

TELEPHONE NO.: _________________

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___________ %

SCHEDULE 4
FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, TAPVILLE FRANCHISING INC., and you are preparing to enter into a Franchise Agreement for the operation of a franchised business. In this Franchisee Disclosure Questionnaire, TAPVILLE FRANCHISING INC. will be referred to as "Tapville Social," "Tapville Franchising Inc.," "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. 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. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your Initial Franchise Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

1.	Yes ___	No ___	Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
2.	Yes ___	No ___	Have you received and personally reviewed the Franchise Disclosure Document we provided?
3.	Yes ___	No ___	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes ___	No ___	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes ___	No ___	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes ___	No ___	Have you discussed the benefits and risks of developing and operating a Tapville Business with an existing Tapville franchisee?
7.	Yes ___	No ___	Do you understand the risks of developing and operating a Tapville Business?

8. Yes ___ No ___ Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

9. Yes ___ No ___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated, mediated, and/or arbitrated in California, if not resolved informally or by mediation?

10. Yes ___ No ___ Do you understand that you must satisfactorily complete the initial training course before we will allow your restaurant to open or consent to a transfer?

11. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Tapville Business, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes ___ No ___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Tapville Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes ___ No ___ Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Tapville Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

15. Yes ___ No ___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

EXPLANATION OF ANY NEGATIVE RESPONSE
(REFER TO QUESTION NUMBER)

Questionnaire Number	**Explanation of Negative Response**

ADDITIONAL REPRESENTATIONS

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-Terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws. I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

____________________________	____________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
____________________________	____________________________
Name (please print)	Name (please print)

Date: ________________________ Date: ________________________

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
LEASE ADDENDUM

Option to Assume Lease ______________________________

1. If _____________________ ("Tenant") defaults under the Lease dated _________________, ("Lease") by and between ____________________________ ("Landlord") and Tenant for the premises located at ____ (the "Premises"), or if TAPVILLE FRANCHISING INC., ("Franchisor") terminates the Tenant's franchise agreement covering the Premises, Landlord and Tenant acknowledge and agree that Franchisor will have the option to assume the Lease pursuant to Paragraph 3 below.

2. Landlord agrees to give Franchisor written notice specifying all default(s) of Tenant under the Lease. Franchisor agrees to give written notice to Landlord if Franchisor terminates Tenant's franchise agreement and, in such notice, will request that Landlord provide Franchisor with a copy of the Lease and specify any of the Tenant's defaults thereunder. All notices will be by nationally recognized overnight courier (with tracking capability).

3. Franchisor (or one of its real estate affiliates) may, within 30 days from (i) receipt of notice from Landlord that Tenant has defaulted under the Lease and failed to cure such default(s) as required or permitted by the terms of the Lease, or (ii) sending of notice to Landlord that has terminated Tenant's franchise agreement covering the Premises, notify Landlord of Franchisor's decision to assume the Lease. If Franchisor exercises its right to assume the Lease by sending Landlord the required notice as provided in the prior sentence, (i) Landlord will deliver possession of the Premises to Franchisor; and (ii) Franchisor will, immediately upon such delivery, cure all of Tenant's monetary defaults under the Lease and execute an agreement pursuant to which Franchisor agrees to assume all of Tenant's rights and obligations under the Lease, subject to the next paragraph.

4. If Franchisor exercises its right to assume the Lease pursuant to Paragraph 3 above, Landlord agrees that Franchisor (i) may, without Landlord's consent, sublet the Premises to or assign the Lease to, an approved franchisee of Franchisor, provided in either instance that Franchisor remains liable for the payment of rent and the performance of Tenant's duties under the Lease, (ii) may assign, without recourse, its rights under the Lease upon receiving Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, and subject to the terms of the Lease, (iii) will not be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, (iv) will not be subject to any provision of the Lease that requires Tenant to continuously operate a business in the Premises during any period that the Premises is closed for remodeling or while Franchisor is seeking to obtain and train a new franchisee, provided however, that such period of closure will not exceed 60 days in each instance; and (v) may, if it subleases the Premises to a franchisee as provided above, retain all rent or other consideration payable under such sublease.

5. If Franchisor exercises its right to assume the Lease pursuant to Paragraph 3 above, within 10 days after written demand, Tenant agrees to assign all of its right, title and

interest in the Lease to Franchisor and, if Tenant does not do so, Tenant appoints Franchisor as its agent to execute all documents that may be necessary for Franchisor to take assignment of the Lease. Notwithstanding anything to the contrary contained herein Tenant shall remain liable to Landlord for all of its obligations under the Lease and to Franchisor for all amounts that Franchisor pays to Landlord to cure Tenant's defaults under the Lease, including interest, reasonable collection costs and de-identification costs (the parties acknowledging that Franchisor may enter the Premises without being guilty of trespass or tort to de-identify the Premises). Franchisor may assign this Option and its rights hereunder to any affiliate, subsidiary, parent, successor or assign of Franchisor provided the conditions herein as to assignment are met. The assignee must be an approved licensed franchisee of Franchisor. This Option may be signed in any number of counterparts by facsimile or otherwise, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A facsimile signature may be used for any purpose in lieu of an original signature.

LANDLORD:	TENANT:
By: ____________________________	By:_____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

FRANCHISOR:

By: ____________________________

Name: __________________________

Title: ___________________________

Date: ___________________________

SCHEDULE 6 TO THE FRANCHISE AGREEMENT
ACH PAYMENT AGREEMENT

ACCOUNT NAME: ____

CUSTOMER NUMBER: ____

FRANCHISE NAME: ____

AUTHORIZATION AGREEMENT FOR ACH Payments

(I/we) do hereby authorize TAPVILLE FRANCHISING INC., hereinafter named the "Franchisor", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of $75.00 per item by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within 15 days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: ______________________________________
ACCOUNT NUMBER: ____
DEPOSITORY NAME: ____
BRANCH: ____
CITY: ______________________________ STATE: ______________ZIP: __________

COMPANY NAME: ____
FIRST NAME/LAST NAME: ____________________________
BILLING ADDRESS: ____
CITY______________________________STATE______________ZIP_____________
PHONE NUMBER: ____
CUSTOMER NUMBER: ____
SIGNATURE ON FILE: ____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: ______________________________

FRANCHISEE:
____
By: ________________________
Name:_______________________
Title: _______________________
Date: _______________________

SCHEDULE 7 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS; DIRECTORS

Holders of Legal or Beneficial Interest:

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Officers and Directors:

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

Name: ______________________________
Position/Title: ______________________________
Home Address: ______________________________
____
____
Telephone No.: ______________________________
E-mail address: ______________________________
Percentage of ownership: _____%

SCHEDULE 8 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 16.2 is deleted and in its place are substituted the following:

16.2.1 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

16.2.2 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

Provisions such as those that shorten the statute of limitations, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

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

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

4. 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.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

> "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

> "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:_________________________	By:_________________________
By:_________________________	Date:________________________

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights signed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act 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 that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
By:________________________	Date:______________________

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	TAPVILLE FRANCHISING INC.
By:_______________________	By:_______________________
By:_______________________	Date:_____________________

SCHEDULE 9 TO THE FRANCHISE AGREEMENT

SBA ADDENDUM TO THE FRANCHISE AGREEMENT

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on ________________, 20____, by and between ____ ("Franchisor"), located at ____, and ____ ("Franchisee"), located at ____.

Franchisor and Franchisee entered into a Franchise Agreement on _______________, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as ''franchise'' relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: ______________________________

Print Name: _______________________

Title:______________________________

Authorized Representative of FRANCHISEE:

By: ______________________________

Print Name: ________________________
Title:______________________________
Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

SCHEDULE 10 TO THE FRANCHISE AGREEMENT

TAPVILLE SERVICES INC

MARKETING SERVICES AGREEMENT

THIS MARKETING SERVICES AGREEMENT ("Agreement") is entered into by and between **TAPVILLE SERVICES, INC** ("Consultant"), a Delaware limited liability company with offices at 216 S Washington St, Naperville, IL 60540, and__________________________("Client"), a _______________________ with offices at ______________________________ (collectively the "Parties" and individually "Party"). The Effective Date of this Agreement shall be ______________("Effective Date").

RECITALS

WHEREAS, Client desires to engage Consultant to provide marketing services relative to the operations of the Tapville Social located at ____ (the "mobile unit/kiosk/restaurant");

WHEREAS, Consultant desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

1. <u>Consultant's Services and Time of Performance</u>. The nature, scope, and level of the specific services to be performed by Consultant, as well as the time when such services shall be provided, are set forth on Exhibit A as attached hereto.

2. <u>Term of Agreement</u>. Consultant shall provide the services set forth herein for a term of one (1) year, commencing on __________________ ("Commencement Date") and ending on ___________________ ("Initial Term") and shall be renewed for consecutive twelve (12) month periods (each 12 month term shall be deemed a "Renewal Term") unless terminated sooner under the terms of Paragraph 10 of this Agreement.

3. <u>Compensation</u>. Client agrees to compensate Consultant for its services according to the fee schedule set forth in Exhibit B. Client also agrees to compensate Consultant for its reasonable out-of-pocket expenses to the extent authorized in Exhibit B. Amendments to the fee schedule set forth in Exhibit B may be made on an annual basis upon written consent of both Parties.

4. <u>Compliance</u>. Consultant acknowledges that Client and Tapville Franchising INC have entered into an Tapville Social Franchise Agreement which governs, in part, Client's use of the Tapville Social Marks (as defined in the Franchise Agreement) and Client's marketing of its business. Consultant agrees to abide by terms of the Franchise Agreement in providing its services to Client.

5. <u>Affiliated Party and Potential Conflict of Interest</u>. Client hereby represents that it is aware that Consultant is affiliated with Tapville Franchising, INC.

6. <u>Client Information</u>. Client shall supply Consultant with the information and material, sufficiently in advance, so as to enable Consultant to properly perform its services.

7. Client Representative. Client hereby identifies ______________ as Client's representative to interact with Consultant ("Client Representative") throughout the term of this Agreement. In the event that Client elects to change the Client Representative, Client shall provide notice to Consultant of the name of Client's new Client Representative. Client agrees that all communication with Consultant relating to the scope of this Agreement shall be made through Client Representative. Consultant agrees that it shall only provide services at the direction of the Client Representative and shall direct all communication relating to the scope of this Agreement to the Client Representative.

8. Contractual Relationship. The Parties agree that based upon Internal Revenue Service guidelines, the working relationship between the Parties is that of a contractor and independent contractor and not employer and employee. Consultant, as an independent contractor, agrees to be solely responsible for complying with all Federal and State income and withholding tax obligations. It is further agreed that Client shall not be responsible for paying any employment taxes, worker compensation, disability or unemployment insurance premiums or payments.

9. Confidentiality. Consultant, in the course of its duties, may have access to financial and statistical data which is unique to the operations of Client's business. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by Client. Client shall grant such authorization if disclosure is required by law. Upon request, all Client data shall be returned to Client upon the termination of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.

10. Termination. Either Party may terminate this Agreement by providing written notice to the other party at least thirty (30) days prior to the effective termination date. The effective termination date shall be identified in the notice. Consultant shall be paid for its services performed through the effective date of termination.

11. Timely Payment. Consultant has the right to interrupt the services, if (a) the payment to the Consultant is delayed by more than seven (7) days, (b) Client does not provide the necessary information or material in due time or does not otherwise properly contribute to the provision of the services, or (c) Client breaches the contract in some other manner. If Client does not correct the situation within seven (7) days of written notice from Consultant, Consultant has the right to terminate the contract immediately. Notwithstanding the foregoing, Consultant shall be paid for its services through the date of termination.

12. Consultant's Limitation of Liability. Consultant shall not be liable for damages caused by the inadequateness, incorrectness or tardiness of the information provided by Client, or damages attributable to Client. Consultant shall not be liable for indirect damages, like the loss of income or similar damages. Consultant shall be responsible only for direct damage which has been caused through its negligence. Tapville Services INC will maintain professional liability insurance with coverage in the amount of, at least, $100,000.00 per occurrence and $300,000.00 in the aggregate.

13. Indemnification.

(a) Client agrees to indemnify and hold harmless Consultant and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Consultant or any of its employees, officers, directors or agents may sustain or incur by reason of or arising out of the breach by Client of any of the terms or provisions of this

Agreement, the representations made by Client in this Agreement and/or any acts or inactions of Client, other than those acts or inactions which have been specifically directed by Consultant to Client to be performed by Client.

.

(b) Subject to the terms and limitations of Section 11 above, Consultant agrees to indemnify and hold harmless Client and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Client or any of its employees, officers, directors or agents may sustain or incur by reason of or arising out of the breach by Consultant of any of the terms or provisions of this Agreement or of the representations made by Consultant in this Agreement and/or the negligent acts of Consultant.

14. Notice. All notices required hereunder shall be in writing and shall be served upon the Party at the addresses provided above (or such other address as may be modified from time-to-time by written notice to the other Party) by certified mail, return receipt requested, personal service or overnight carrier service. Notices served by certified mail or overnight courier shall be deemed given on the date of mailing. Notices served by personal service shall be deemed given on the date of delivery.

15. Injunctive Relief. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages may be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any Party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach, or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

16. Entire Agreement. All prior and contemporaneous agreements, statements and understandings with respect to the subject matter of this Agreement, if any, among the parties hereto, or their agents, are merged into this Agreement, and this Agreement shall constitute the entire agreement among the parties. The agreement shall supersede any apparent inconsistencies with prior written and executed or oral agreements between the Parties.

17. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois, unless required otherwise.

18. Severability. In the event any term of this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term, nor the validity of any other terms of this Agreement shall in any way be affected thereby.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

20. Gender and Number. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neuter and the plural shall be deemed to include the singular and the plural whenever necessary or appropriate to effect the intent of this Agreement.

21. Headings. The Article and Paragraph headings are inserted for convenience only and shall not constitute a part hereof.

22. Cumulative Rights. The rights and remedies provided in this Agreement are cumulative and the use of any right or remedy does not limit a Party's right to use any or all other remedies. All rights and remedies in this Agreement are in addition to any other legal rights the Parties may have.

23. Binding Terms. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors.

24. Arbitration. In the event any controversy or dispute arises with respect to this Agreement or any of the terms or conditions thereof, or with respect to any alleged breach thereof, the Parties agree that such controversy or dispute shall be settled by arbitration in Dupage County, Illinois in accordance with the rules then existing of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The prevailing party to any action undertaken shall be entitled to receive from the defaulting party(ies) all arbitration costs and reasonable attorneys' fees.

IN WITNESS WHEREOF, the Parties have executed this Agreement as follows:

CONSULTANT:	CLIENT:
TAPVILLE SERVICES, INC	______________________________
______________________________	______________________________
Authorized Representative	Authorized Representative
Dated: ________________________	Dated: ________________________

in consideration of:

SCHEDULE 11 TO THE FRANCHISE AGREEMENT

MANAGEMENT SERVICES AGREEMENT

This **MANAGEMENT SERVICES AGREEMENT** ("**Agreement**") is entered into by and between **Tapville Services, LLC** ("**Manager**"), a Delaware limited liability company with offices at 216 South Washington St, Naperville, IL 60540 and ______________________________ ("**Owner**"), a ________ ______________________________ with offices at ______________________________ ______________________ (collectively the "**Parties**" and individually "**Party**"). The Effective Date of this Agreement shall the date this Agreement is signed by Manager as indicated on the signature page to this Agreement ("**Effective Date**").

RECITALS

WHEREAS, Owner desires to engage Manager to provide certain management services to the Tapville Social located at ______________________________ (the "**restaurant/kiosk/mobile unit**");

WHEREAS, Manager desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. **Management Services**. Owner hereby retains Manager to perform the services described on **Exhibit A** (the "**Services**"). In fulfilling its obligations under this Agreement, Manager will use commercially reasonable efforts to comply with the mandatory specifications, standards, operating procedures and rules that Tapville Franchising, Inc (and its successors or assigns, "**Franchisor**") periodically prescribes for operating the Restaurant (the "**System Standards**"). Owner agrees to cooperate with Manager by taking all such actions and executing such agreements and documents as Manger reasonably requests in connection with the Services.

2. **Management Fees**. Manager shall be paid a management fee and additional service fees as described in "Exhibit A" on the day of the month specified from time to time by Manager (the "**Management Fee**"). Owner must make all payments due under this Agreement in the manner designated by Manager time to time. Owner hereby authorizes Manager to withdraw the amount of the Management Fee from the Operating Account (as defined in Section 5). The incentive portion of the Management Fee shall be paid on an annual basis within sixty (60) days after the end of the previous calendar year. In the event this Agreement is terminated during a calendar month, the fixed portion of the Management Fee payable for the month in which such termination occurs will be prorated based upon a thirty (30) day month and the incentive portion of the Management Fee payable for the calendar month in which such termination occurs will be prorated based upon a three hundred sixty-five (365) day year.

Owner is electing the following services described in "Exhibit A"

( ) – Management Services

( ) – Accounting Services

( ) – Event Booking Services

3. **Owner Responsibilities.** Notwithstanding anything to the contrary in this Agreement, Owner expressly acknowledges and agrees that Owner is responsible for all actions necessary to manage or supervise the Restaurant and comply with the System Standards, other than the Services (unless Owner has retained Manager under a separate agreement or as described in "Exhibit A" to offer any additional services, and then only to the extent specified in such agreement). Without limiting the generality of the foregoing, the Services do not include:

(a) Book-keeping, financial planning, budgeting, or any other financial or record-keeping services of any kind;

(b) Tax planning, preparation or filing of any tax returns, or payment of any taxes;

(c) Negotiating, securing or servicing any debt arrangements or financing;

(d) Marketing, promotional, advertising or similar services of any kind;

(e) Management of employee benefits plans, human resources, payroll administration and employment matters (as further described and subject to Section 4);

(f) Constructing, developing and outfitting the Restaurant prior to the opening of the Restaurant, in each case in accordance with the System Standards, and including obtaining any and all permits and licenses to operate the Restaurant, all of which will be exclusively in Owner's names;

(g) Installing or maintaining any signage on the exterior of the Restaurant, or maintaining any common areas, parking lots, or other real estate associated with the exterior of the Restaurant;

(h) Risk management, including securing all necessary insurance policies, which will be exclusively in Owner's name, and submitting and managing any insurance claims;

(i) Undertaking any and all material capital expenditures, including repairing the Restaurant or any assets of the Restaurant after any fire or other casualty;

(j) Agreeing on all final terms and entering into all third-party relationships and contracts, including real property leases, supply contracts, service and support contracts, and professional service contracts, all of which will be exclusively in Owner's name ("**Restaurant Agreements**"), although Manager may provide certain advice on negotiating and securing relationships with certain vendors (as described on **Exhibit A**); and

(k) Any and all professional service and advice, including accounting, actuarial and legal services of any kind.

4. **Employees**. Owner acknowledges and agrees that, although Manager may provide operational direction to the general manager of Owner and/or advise Owner on decisions relating to the employment or engagement of employees, agents, and independent contractors of the Restaurant, Owner acknowledges and agrees that all personnel employed at the Restaurant shall at all times be the employees of Owner and not Manager. Owner agrees to manage the employment functions of the Restaurant in compliance with federal, state, and local employment laws.

5. **Operating Account**. All funds derived from operation of the Restaurant shall be deposited in the operating account for the Restaurant designated by the Owner (the "**Operating Account**"). Owner shall direct the bank for the Operating Account to accept deposits submitted by Manager and to grant Manager the authority to write checks and make payments for the account for the operations of the Restaurant. Upon request of Manager, Owner agrees to provide a credit card, subject to such limits and restrictions as Owner determines, to be used by the Manager to pay operating expenses of the Restaurant in connection with the Services. Expenditures and withdrawals from the Operating Account shall be made only with the prior authorization of Owner, which may include oral or email authorization by Owner, and which authorization may be made one time for recurring payments.

6. **Operating Expenses and Losses**. Owner is responsible for all operating expenses associated with the operation of the Restaurant, including the costs incurred in connection with the Services. All operating expenses will be paid from the Operating Account; provided, however, that in the event Manager shall directly incur any documented out-of-pocket costs in connection with providing the Services, Owner will promptly reimburse Manager for such costs and expenses upon request. Owner is responsible for all operating losses associated with the Restaurant and Manger is not responsible for any operating losses of the Restaurant or Owner.

7. **Working Capital Reserves.** The Owner is responsible for ensuring that the Operating Account retains sufficient working capital reserves for day-to-day operations of the Restaurant, which in no event shall be less than Fifty Thousand Dollars and 00/100 ($50,000). Owner shall deposit such amounts in the Operating Account as necessary to maintain such working capital reserves. In no event shall Manager be liable for any failure to provide Services during any period of time during which the Operating Account does not maintain sufficient working capital in reserve. In no event is the Manager responsible for replenishing any operating cash or working capital reserves for the Restaurant or the Owner.

8. **No Representation, Warranty or Guaranty**. Manager neither represents, warrants nor guaranties that the Restaurant will achieve profitability or any other performance expectation. Owner acknowledges and agrees that Manager does not assume any rights or obligations under any Restaurant Agreements. Owner further acknowledges and agrees that Buyer will not be held liable for any error in judgment, action or inaction in connection with the Services or the Restaurant, except to the extent arising from Manager's gross negligence, bad faith, willful misconduct, or breach of this Agreement.

9. **Term and Termination**. The "**Term**" of this Agreement begins on the Effective Date and ends one (1) year from the Effective Date and shall be renewed automatically for subsequent one (1) year periods without further action by the Parties, unless the terminated sooner as follows:

(a) by Manager upon failure of Owner to pay any amounts owed under this Agreement when due within seven (7) days of the due date for such payment;

(b) by either Party upon any breach of this Agreement by the other Party (other than for Owner's failure to pay amounts when due, which is controlled by subsection (b) above), which breach remains uncured for thirty (30) days after written notice by the non-breaching Party;

(c) by Manager with sixty (60) days prior written notice to Owner;

(d) by Owner if Manager (i) takes or misappropriates any property of Owner or the Restaurant (other than is needed in the performance of its duties) without authorization, and fails to return such property within thirty (30) days after written notice by Owner; or (ii) Manager has falsified records, performed acts of dishonesty, fraud or willful misrepresentation; or

(e) automatically at such time as the Franchise Agreement between Owner and Franchisor is terminated, expires or is transferred.

10. **Upon Termination or Expiration**. If the engagement is terminated by Manager for Owner's breach or by Owner other than in accordance with Section 9 above, Manager shall receive its Management Fee through the remainder of the Term. In all other circumstances, Manager shall be paid the Management Fee through the date of termination. Promptly upon termination or expiration of this Agreement Manager shall peacefully vacate and surrender the Restaurant to Owner and Owner shall assume full operational management of the Restaurant and shall have the sole responsibility to operate the Restaurant in accordance with the System Standards. Notwithstanding anything to the contrary, the terms of this Agreement that either expressly or by their nature survive the termination or expiration hereof, will continue uninterrupted from and after the date of termination or expiration, including Section 8 (No Representation, Warranty or Guaranty) and Section 11 (Indemnification).

11. **Indemnification**. Manager shall indemnify and hold harmless Owner and its successors, assigns, officers, directors, shareholders, employees and agents, against any and all damages, claims, losses, liabilities and expenses arising from Manager's gross negligence, bad faith, willful misconduct, or breach of this Agreement. Owner shall indemnify and hold harmless Manager and its successors, assigns, officers, directors, shareholders, employees and agents, against any and all damages, claims, losses, liabilities and expenses arising from the operation of the Restaurant, which are not a result of Manager's gross negligence, bad faith, willful misconduct, or breach of this Agreement, including any claims, losses, liabilities and expenses arising from any Restaurant Agreements, any operating expenses, any violations of applicable law or regulation, any employment liabilities and claims, and personal injury claims. The Parties hereby acknowledge and agree that their sole and exclusive remedy with respect to any and all claims under this Agreement, shall be pursuant to the indemnification provisions set forth in this Section

12. **Force Majeure**. Manager will not be liable or responsible for nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement to the extent such failure or delay is caused by or results from acts beyond Manager's control, including acts of God, natural disaster, war, terrorist threats or acts, civil unrest, government order or law, action by any governmental authority, national or regional emergency, strikes or labor stoppages, or shortage of adequate power or transportation facilities.

13. **Arbitration**. In the event any controversy or dispute arises with respect to this Agreement or any of the terms or conditions thereof, or with respect to any alleged breach thereof,

the Parties agree that such controversy or dispute will be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within Dupage County, Illinois. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction. Despite the foregoing agreement to arbitrate, any Party shall be entitled to seek temporary or preliminary injunctive relief or retraining orders from a court of competent jurisdiction; provided, that Party contemporaneously submits the dispute, disagreement and/or controversy for arbitration.

14. **LIMITATIONS OF CLAIMS; CLASS ACTION BAR; JURY WAIVER**. NO PREVIOUS COURSE OF DEALING WILL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING WILL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT. ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT WILL BE BARRED UNLESS A PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. ANY PROCEEDING BETWEEN THE PARTIES, OR THEIR RESPECTIVE AFFILIATES, OWNERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND REPRESENTATIVES MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON SUCH PARTY'S BEHALF BY ANY ASSOCIATION OR AGENT.

15. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. EXCEPT FOR INDEMNIFICATION OBLIGATIONS UNDER SECTION 11, THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER PARTY.

16. **Governing Law**. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ et seq.). Except to the extent governed by the Federal Arbitration Act or other federal law, all claims arising from this Agreement, any of the terms or conditions thereof, or with respect to any alleged breach thereof, will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules.

17. **Costs and Fees**. The prevailing party in any dispute or proceeding arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute or proceeding.

18. **Cumulative Rights**. The rights and remedies provided in this Agreement are cumulative and the use of any right or remedy does not limit a Party's right to use any or all other remedies. All rights and remedies in this Agreement are in addition to any other legal rights the Parties may have.

19. **Affiliated Party and Potential Conflict of Interest**. Owner hereby represents that it is aware that Manager is affiliated with Franchisor and waives any claims of conflict of interest or otherwise arising from the relationship of Manager and Franchisor.

20. **Relationship of the Parties**. In the performance of this Agreement, Manager shall act solely as an independent contractor. Neither this Agreement nor any agreements, instruments, documents, or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making Manager a partner, joint venturer, employee, owner or other representative of Owner. Owner and Manager agree that neither Party will make any contrary assertion, claim or counterclaim in any action, suit, arbitration or other legal proceedings involving Owner and Manager.

21. **Notices**. All notices required hereunder shall be will be deemed to be delivered: (i) at the time delivered by hand, (ii) at the time delivered via electronic transmission, (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (iv) three (3) business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice, except that it will always be deemed acceptable to send notice to Owner at the address of the Restaurant.

22. **Successors and Assigns**. Neither Party may assign this Agreement without the prior written consent of the other Party; provided, that Manager may freely assign this Agreement to any affiliate or any other third-party acquiring all or substantially all of the assets or ownership interests in Manager, and that expressly assumes all of its obligations hereunder.

23. **Amendment and Waiver**. Except as set forth in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in a writing specifying with particularity the nature and extent of the amendment, modification or waiver and signed by an authorized Party of the Manager and Owner. Failure on the part of any Party to complain of any act or failure to act of another Party or to declare another Party in default, irrespective of how long the failure continues, will not constitute a waiver by that Party of his, her or its rights under this Agreement. Any waiver by any Party of any default of another parry will not affect or impair any right arising from any other or subsequent default.

24. **Severable Provisions**. Each and every provision of this Agreement is intended to be independent of and severable from the others. If any provision of this Agreement is declared by a court of competent jurisdiction to be illegal, unenforceable or invalid for any reason whatsoever, that illegality, unenforceability or invalidity will not affect the validity of the remainder of this Agreement or the legality, enforceability or validity of that provision in any other jurisdiction.

25. **Terminology**. All references in this Agreement to the term "including" means "including, without limitation." “Person” means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, limited liability company, a government or any department or agency thereof, a trustee, a trust and any unincorporated organization. All captions, headings or tides in the paragraphs or sections of this

Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply.

26. **Estoppel Certificate**. Owner shall at any time and from time to time, upon not less than thirty (30) days' prior notice from Manager, execute, acknowledge and deliver to Manager, or to any third party specified by Manager, a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and (b) stating whether or not to the best knowledge of Owner (i) there is a continuing default of this Agreement by the Manager in the performance or observance of any covenant, agreement or condition contained in this Agreement, or (ii) there shall have occurred any event which, with the giving of notice or passage of time or both, would become a such a default by Manager. Such statement shall be binding upon the Owner and may be relied upon by Manager and/or such third party specified by Manager.

27. **Entire Agreement**. All prior and contemporaneous agreements, statements and understandings with respect to the subject matter of this Agreement, if any, among the parties hereto, or their agents, are merged into this Agreement, and this Agreement shall constitute the entire agreement among the parties. The agreement shall supersede any apparent inconsistencies with prior written and executed or oral agreements between the Parties.

28. **Execution**. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either Party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MANAGER:	**OWNER**:
Tapville Services, LLC a Delaware limited liability company	______________________________ Entity Name
Sign:__________________________ Name:_________________________ Title:__________________________	Sign:__________________________ Name:_________________________ Title:__________________________
DATED:_________________________	**DATED:**_________________________

EXHIBIT A – DESCRIPTION OF SERVICES

Management Services

Fixed Portion of the Management Fee:

$5,000 monthly management fee due on 10^{th} of each month.

Incentive Portion of the Management Fee:

In addition to the fixed portion of the Management Fee, an incentive portion of the Management Fee equal to five (5%) of the Establishment's "free cash flow" as determined by the Accounting Firm in accordance with industry practices shall be paid annually as provided as an expense.; provided that the Accounting Firm shall make any necessary year-end adjustments. The Owner shall provide such detail supporting the annual calculations as the Manager shall reasonably request.

Responsibilities

Supervise day-to-day operations by Restaurant staff

- Clean, repair and maintain Restaurant assets, equipment and premises
- Inventory management and ordering
- Advising on key vendor relationships
- Managing customer complaints and quality control for customer services
- Audits for compliance with System Standards
- Monthly audits of safety, maintenance, cash controls, appearance, and staffing
- Train and review with General Manager Restaurant schedules
- Maintain opening and closing logs and maintenance logs
- Implement policies for Restaurant, including party and group organizations and equipment inspections.

Accounting Services

$600 monthly accounting services fee due on 10^{th} of each month.

Responsibilities:

- Invoice entry
- Accounts payable and vendor payment
- Reconcile bank statements at month end

- Submit financials to Tapville Franchising
- Provide month end financial reports – profit and loss, balance sheet and general ledger
- Payroll submission

Additional services available as requested. Professional fees are based on extent and scope of work and are addition to the monthly accounting services:

- 1099s – generating and mailing to contractors
- Tax preparation

Event Booking Services

- $10 booking fee - All inquiries through web forms that become a standard dining room reservation, regardless of a cancellation
- $75 booking fee for all parties requiring a contract (typically parties of 20 or more)
- 8% service fee on all booked business on the contract value. Additional sales during event not listed on contract are not subject to 8% service fee.
- Event inquiries internally will be forwarded to Tapville Management services. The guest will be contacted in less than 24 hours
- Cancellations of a BEO within our eligible time frame will not be billed to the franchisee. If the Event is postponed and rescheduled the franchisee will be billed appropriately.
- Fees and commissions will be billed by Tapville Franchising on a monthly basis

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

TAPVILLE FRANCHISING INC.
FINANCIAL STATEMENTS

TAPVILLE FRANCHISING, INC.

Financial Statements

December 31, 2023

(With Independent Auditors' Report Thereon)

SMITH, BUZZI & ASSOCIATES, LLC.
CERTIFIED PUBLIC ACCOUNTANTS
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MIAMI, FLORIDA 33173
TEL. (305) 598-6701
FAX (305) 598-6716

JULIO M. BUZZI, C.P.A.
JOSE E. SMITH, C.P.A.

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Tapville Franchising, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tapville Franchising, Inc., which comprise the balance sheet as of December 31, 2023 and the related statements of operations and retained earnings and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tapville Franchising, Inc., as of December 31, 2023 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Smith, Buzzi & Associates, LLC.

Miami, Florida
February 9, 2024

TAPVILLE FRANCHISING, INC.

Balance Sheet

December 31, 2023

Assets

Cash	$ 185,317
Contributions receivable - escrow	6,639
Accounts receivable	101,946
Accrued interest receivable	9,510
Property and equipment, net	3,450
Notes receivable from Franchisee	221,184
Other assets	5,678
Investments	468,197
Total assets	$ 1,001,921

Liabilities and Stockholders' Equity

Liabilities:	
Accounts payable and accrued expenses	$ 46,379
Deferred revenue	505,489
Total liabilities	551,868
Stockholders' equity:	
Common stock	2,177,292
Retained earnings (deficit)	(1,727,239)
Total Stockholders' Equity	450,053
Total Liabilities and Stockholders' Equity	$ 1,001,921

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Operations and Retained Earnings (Deficit)

For the Year Ended December 31, 2023

Revenues:	
Franchise sales, net	$ 269,551
Product sales	-
Service fee income	-
Royalties and licensing	239,699
Earnings (loss) from investments	47,698
Interest income	9,510
Other income	16,245
Total franchise revenues	582,703
Expenses:	
Cost of goods sold	-
Insurance	17,800
Sales commissions	11,700
Advertising and marketing	75,876
Management fee	573,769
Legal and professional	81,558
Contractors	210
Investment fees	24,970
Dues and subscriptions	1,172
Travel	1,347
Office and other	47,126
Depreciation expense	1,150
Taxes and licenses	247
Total expenses	836,925
Net income (loss)	(254,222)
Retained earnings (deficit), beginning of year	(1,473,017)
Retained earnings (deficit), end of year	$(1,727,239)

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Cash Flows

For the Year Ended December 31, 2023

Cash flows from operating activities:	
Net income (loss)	$ (254,222)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,150
Equity in earnings of investment	(47,698)
(Increase) decrease in assets:	
Investments	159,960
Accounts receivable	(9,031)
Inventory	-
Contributions receivable - escrow	(4,419)
Other assets	5,105
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(26,989)
Deferred revenue	40,574
Net cash used by operating activities	(135,570)
Cash flows from investing activities:	
Fixed asset acquisition	-
Net cash used by investing activities	-
Cash flows from financing activities:	
Issuance of common stock, net	113,690
Net cash provided by financing activities	113,690
Net decrease in cash and cash equivalents	(21,880)
Cash and cash equivalents, beginning of year	207,197
Cash and cash equivalents, end of year	$ 185,317
Supplementary disclosure of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -
Non cash transactions	
Employee Equity Grant	$ 375,000

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Notes to Financial Statements

December 31, 2023

1. ***Summary of Significant Accounting Policies***

Tapville Franchising, Inc. ("Company") was formed in the State of Illinois in December 2018 and become a Delaware based company in 2020. The principal purpose of the Company is to offer and sell franchises that provide beer and wine using a revolutionary pour-your-own technology making each visit a new craft beer adventure.

Following is a description of significant risks facing the Company and how those risks are minimized:

Legal/Regulatory Risk – The risk that changes in the legal or regulatory environment in which the Company operates can create additional loss, costs, or expenses not anticipated by the Company in pricing its services. That is, regulatory initiatives may create costs for the Company beyond those currently recorded in the financial statements or assumed in pricing. The Company attempts to minimize this risk by reviewing legislative and other regulatory changes and adjusting rates whenever possible.

Concentration Risk – All of the Company's fees were derived from services rendered to customers. Accordingly, the Company could be affected by adverse conditions that may occur from time to time in the marketplace.

Credit Risk – The risk that customers that may owe the Company money, will not pay. The Company attempts to minimize this risk by actively monitoring collections of receivables.

a) ***Method of Accounting***

Assets and liabilities and revenue and expenses are recognized on the accrual basis of accounting.

b) ***Property and Equipment***

Property and equipment is stated at cost. Depreciation is computed using the straight line method of depreciation over the estimated useful life of the assets, which are 5 years.

For federal income tax purposes, depreciation is computed using the appropriate accelerated methods allowed for tax purposes.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

1. ***Summary of Significant Accounting Policies*** **– (Cont.)**

c) ***Franchise Fees/ Deferred Revenues***

Income is principally comprised of revenues earned by the Company as part of the franchise sales to customers. Additional revenues earned by the Company are expected from the sales of products, marketing materials and other services to the franchisees and royalties.

The Company recognizes its franchise revenues in accordance with Statement of Financial Accounting Standards ASC 606, which allows that franchise fees from franchise sales be recognized, net of an allowance for uncollectible amounts, if the initial franchise fee is distinct from the franchise license. The Company generally charges an initial upfront nonrefundable franchise fee upon execution of the Company's Unit Franchise Agreement. Initial franchise fees are typically deferred. A portion of the initial franchise fee is allocated to certain distinct performance obligations and is recognized as revenue when the Company has determined it has provided substantially all of its material obligations required to recognize revenue related to those distinct performance obligations. The portion of the franchise fee that is not allocated to individually distinct performance obligations is recognized as revenue over the term of each respective franchise agreement.

The individual franchise agreements typically have a 10 year initial term and provide the franchisee with an opportunity to enter into renewal terms subject to certain conditions.

The Company recognizes revenue when all of the following four criteria are met:

- persuasive evidence of a sales arrangement exists
- all material obligations have been provided
- the sales price is fixed or determinable and
- collectability is probable

Deferred revenue represents cash received from franchisees for franchise fees and area development fees for which revenue recognition criteria has not been met.

As of December 31, 2023, the Company has recorded deferred franchise fees of $505,489 relating to stores to be opened in future years or unamortized fees relating to open stores. These amounts are included in deferred revenue.

1. ***Summary of Significant Accounting Policies*** – *(Cont.)*

c) ***Franchise Fees/ Deferred Revenues*** – *(Cont.)*

Area development fees – Franchisees contractually enter into area development agreements ("ADAs") to secure the exclusive right to open franchise stores within a defined geographical area. ADAs establish the timing and number of stores to be developed within the defined geographical area. Pursuant to an ADA, a franchisee is generally required to pay an initial nonrefundable development fee for a minimum number of stores to be developed, as outlined in the respective ADA. ADA fees collected in advance are deferred until the Company provides substantially all required obligations pursuant to the ADA. As the efforts and total cost relating to initial services are affected significantly by the number of stores opened in an area, the respective ADA is treated as a divisible contract. As each new site is accepted under an ADA, a franchisee signs a franchise operating agreement for the respective franchise location. As each store opens under an ADA, franchisor typically has performance obligations associated with it. As such, the Company will recognize ADA revenue as each individual franchise location is developed in proportion to the total number of stores to be developed under the ADA. These obligations are typically completed once the store is opened or the franchisee executes the individual property lease.

d) ***Accounts Receivable***

Trade accounts receivable consist of amounts due for franchise sales, are carried at their estimated collectible amounts and trade credit will be generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

The Company uses the reserve method of accounting for bad debts for financial reporting purposes and the direct write-off method for income tax purposes. Trade accounts receivable are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all unreserved accounts receivable to be collectible. As of December 31, 2023, a total of $0 in accounts were reserved.

1. *Summary of Significant Accounting Policies* – *(Cont.)*

e) *Income Taxes*

The Company filed an election with the Internal Revenue service to be treated as a Limited Liability Corporation ("LLC") for all its initial taxable years. An LLC is not subject to corporate income tax. The Company's taxable income or loss and tax credits pass through to the members. In 2020, the Company rescinded its LLC designation and was converted into a "C" corporation. As such, the Company recognized tax or related benefit on its earnings or losses.

The Company follows the provisions of Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The evaluation was performed for the tax years 2022, 2021 and 2020, the tax years which remains subject to examination by major tax jurisdictions as of December 31, 2023.

f) *Cash and Cash Equivalents*

For purposes of the statement of cash flows, cash equivalents consist of cash on hand and in banks.

g) *Pervasiveness of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. ***Summary of Significant Accounting Policies*** **– (Cont.)**

g) ***Pervasiveness of Estimates*** **– (Cont.)**

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the balance sheet, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

h) ***Long-Lived Assets***

The Company reviews the carrying value of its long lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No adjustment has been provided for in the financial statements.

i) ***Concentrations, Risks and Uncertainties***

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents. The Company maintains its cash in well-known financial institutions selected based upon management's assessment of the financial institution's financial responsibility.

j) ***Fair Value***

The Company follows ASC 820-10, "Fair Value Measurements". ASC 820-10 provides a definition of fair value, establishes a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP") and requires expanded disclosure about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance. The fair value of financial instruments to be classified as assets or liabilities including cash and trademarks approximate carrying value, principally because of the short maturity of those items.

2. ***Accounts Receivable***

Accounts receivable consists of amounts due from franchisees for the purchase of franchises and royalty fees. Management uses the direct write-off method when in their opinion a balance is uncollectible. At December 31, 2023 the balance of accounts receivable amounted to $101,946 and bad debt expense amounted to $0 for the fiscal year.

TAPVILLE FRANCHISING, INC.

Notes to Financial Statements

December 31, 2023

3. *Investments*

During 2019, the Company invested in a franchise opened by a non-related franchisee. The Company's investment represents 100% of the franchise and the Company exercises significant influence over franchise operations. Accordingly, the investment is accounted for under the equity method. Under this method, the investment is initially recorded at cost and subsequently adjusted to account for its share of the investment franchise's profits and losses. For 2023, the franchise (loss)/income was $57,230 and the investment was terminated. The carrying value of the investment is $32,230 at December 31, 2023.

During 2022, the Company invested in two affiliated franchises. A total of $400,000 was invested for a 100% ownership stake. The investments are accounted for under the equity method. The net adjustment to the investment of the Company's share of investments' profit and losses amounted to ($9,532) for 2023. The carrying value of the investments is $435,967 at December 31, 2023.

4. *Note Receivable from Franchisee*

Beginning in January 2021, the Company advanced funds to cover costs in establishing a franchisee in Evanston, Illinois. Total amounts advanced through December 31, 2023 amounted to $125,000. During 2023, an additional $0 was advanced. These combined amounts along with $96,184 in accounts receivable due the Company from the franchisee were converted into a 4.3% promissory note. The note requires no monthly payments and the principal and accrued interest are due upon the maturity date of December 31, 2026. Accrued interest receivable at December 31, 2022 amounted to $9,510.

5. *Property and Equipment*

Property and equipment at December 31, 2023, consists of the following:

Training wall	$ 5,750
Office furniture and equipment	-
	5,750
Less accumulated depreciation	(1,150)
	$ 4,600

Depreciation expense for the year ended on December 31, 2023 amounted to $1,150.

6. ***Common Stock***

In August, 2020, the Company authorized the issuance of 3,000,000 shares of preferred stock and 13,000,000 shares of common stock with a par value of $.0001 per share, respectively. During 2020, the Company converted certain notes payable into common stock and solicited additional investments/capital through StartEngine. A total of $384,491 was raised via StartEngine. As part of the services provided, StartEngine used and kept $40,113 of the capital raised that was charged as investment fees. In addition, StartEngine had withheld an additional $21,465 in escrow to be released six (6) months after the campaign to raise funds was closed. During 2021, an additional net amount of $811,361 was raised via StartEngine. During 2022, an additional amount of $312,250 was raised via StartEngine. During 2023, a total of $113,690 was raised via StartEngine. During the year a total of $24,970 was charged as investment fee and as of December 31, 2023 the amount of $6,639 remains in escrow and is reflected as contributions receivable at December 31, 2023.

7. ***Franchise Sales and Agreements***

The Company started offering franchises in February of 2019. The Company enters into franchise agreements with its franchisees. Company's franchise agreements require the Company to provide various items to franchisees including, but not limited to, marketing and operational support.

8. ***Subsequent Events***

Management has evaluated subsequent events through February 9, 2024, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements.

TAPVILLE FRANCHISING, INC.

Financial Statements

December 31, 2022

**(With Independent Auditors'
Report Thereon)**

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tapville Franchising, Inc., as of December 31, 2022 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Smith, Buzzi & Associates, LLC.

Miami, Florida
March 17, 2023

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MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Tapville Franchising, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tapville Franchising, Inc., which comprise the balance sheet as of December 31, 2022 and the related statements of operations and retained earnings and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tapville Franchising, Inc., as of December 31, 2022 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Smith, Buzzi & Associates, LLC.

Miami, Florida
March 17, 2023

TAPVILLE FRANCHISING, INC.

Balance Sheet

December 31, 2022

Assets

Cash	$ 207,197
Contributions receivable - escrow	2,220
Accounts receivable	92,915
Property and equipment, net	4,600
Notes receivable from Franchisee	221,184
Other assets	5,253
Investment in franchise	595,499
Total assets	$ 1,128,868

Liabilities and Stockholders' Equity

Liabilities:	
Accounts payable and accrued expenses	$ 73,368
Deferred revenue	464,915
Total liabilities	538,283
Stockholders' equity:	
Common stock	2,063,602
Retained earnings (deficit)	(1,473,017)
Total Stockholders' Equity	590,585
Total Liabilities and Stockholders' Equity	$ 1,128,868

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Operations and Retained Earnings (Deficit)

For the Year Ended December 31, 2022

Revenues:	
Franchise sales, net	$ 282,255
Product sales	76,989
Service fee income	50,615
Royalties and licensing	176,701
Earnings (loss) from investment in franchise	143,431
Other income	9,169
Total franchise revenues	739,160
Expenses:	
Cost of goods sold	146,648
Insurance	12,285
Payroll costs and sales commissions	234,869
Employee equity grant	375,000
Advertising and marketing	177,379
Management fee	447,801
Legal and professional	134,942
Contractors	19,836
Investment fees	40,506
Dues and subscriptions	1,745
Travel	24,894
Meals and entertainment	5,193
Shipping	2,459
Office and other	26,041
Depreciation expense	1,150
Taxes and licenses	9,498
Total expenses	1,660,246
Net income (loss)	(921,086)
Retained earnings (deficit), beginning of year	(551,931)
Retained earnings (deficit), end of year	$ (1,473,017)

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Cash Flows

For the Year Ended December 31, 2022

Cash flows from operating activities:	
Net income (loss)	$ (921,086)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,150
Equity in earnings of investment	(143,431)
(Increase) decrease in assets:	
Due from Franchisee	89,365
Accounts receivable	435,840
Inventory	11,362
Contributions receivable - escrow	9,295
Other assets	8,720
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	4,000
Deferred revenue	233,745
Net cash used by operating activities	(271,040)
Cash flows from investing activities:	
Fixed asset acquisition	(5,750)
Net cash used by investing activities	(5,750)
Cash flows from financing activities:	
Notes receivable from franchisee	(221,184)
Issuance of common stock, net	312,250
Net cash provided by financing activities	91,066
Net decrease in cash and cash equivalents	(185,724)
Cash and cash equivalents, beginning of year	392,921
Cash and cash equivalents, end of year	$ 207,197
Supplementary disclosure of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -
Non cash transactions	
Employee Equity Grant	$ 375,000

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Notes to Financial Statements

December 31, 2022

1. ***Summary of Significant Accounting Policies***

Tapville Franchising, Inc. ("Company") was formed in the State of Illinois in December 2018. The principal purpose of the Company is to offer and sell franchises that provide beer and wine using a revolutionary pour-your-own technology making each visit a new craft beer adventure. The Company serves also house-smoked barbeque in a family-friendly atmosphere.

Following is a description of significant risks facing the Company and how those risks are minimized:

Legal/Regulatory Risk - The risk that changes in the legal or regulatory environment in which the Company operates can create additional loss, costs, or expenses not anticipated by the Company in pricing its services. That is, regulatory initiatives may create costs for the Company beyond those currently recorded in the financial statements or assumed in pricing. The Company attempts to minimize this risk by reviewing legislative and other regulatory changes and adjusting rates whenever possible.

Concentration Risk - All of the Company's fees were derived from services rendered to customers located in Florida. Accordingly, the Company could be affected by adverse local conditions that may occur from time to time in those markets.

Credit Risk - The risk that customers that may owe the Company money, will not pay. The Company attempts to minimize this risk by actively monitoring collections of receivables.

a) ***Method of Accounting***

Assets and liabilities and revenue and expenses are recognized on the accrual basis of accounting.

b) ***Property and Equipment***

Property and equipment is stated at cost. Depreciation is computed using the straight line method of depreciation over the estimated useful life of the assets, which are 5 years.

For federal income tax purposes, depreciation is computed using the appropriate accelerated methods allowed for tax purposes.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

1. ***Summary of Significant Accounting Policies*** ***- (Cont.)***

c) ***Franchise Fees/ Deferred Revenues***

Income is principally comprised of revenues earned by the Company as part of the franchise sales to customers. Additional revenues earned by the Company are expected from the sales of products, marketing materials and other services to the franchisees and royalties.

The Company recognizes its franchise revenues in accordance with Statement of Financial Accounting Standards ASC 606, which allows that franchise fees from franchise sales be recognized, net of an allowance for uncollectible amounts, if the initial franchise fee is distinct from the franchise license. The Company generally charges an initial upfront nonrefundable franchise fee upon execution of the Company's Unit Franchise Agreement. Initial franchise fees are typically deferred. A portion of the initial franchise fee is allocated to certain distinct performance obligations and is recognized as revenue when the Company has determined it has provided substantially all of its material obligations required to recognize revenue related to those distinct performance obligations. The portion of the franchise fee that is not allocated to individually distinct performance obligations is recognized as revenue over the term of each respective franchise agreement.

The individual franchise agreements typically have a 10 year initial term and provide the franchisee with an opportunity to enter into renewal terms subject to certain conditions.

The Company recognizes revenue when all of the following four criteria are met:

- persuasive evidence of a sales arrangement exists
- all material obligations have been provided
- the sales price is fixed or determinable and
- collectability is probable

Deferred revenue represents cash received from franchisees for franchise fees and area development fees for which revenue recognition criteria has not been met.

As of December 31, 2022, the Company has recorded deferred franchise fees of $464,915 relating to stores to be opened in future years or unamortized fees relating to open stores. These amounts are included in deferred revenue.

1. *Summary of Significant Accounting Policies* - (Cont.)

c) *Franchise Fees/ Deferred Revenues* - (Cont.)

Area development fees - Franchisees contractually enter into area development agreements ("ADAs") to secure the exclusive right to open franchise stores within a defined geographical area. ADAs establish the timing and number of stores to be developed within the defined geographical area. Pursuant to an ADA, a franchisee is generally required to pay an initial nonrefundable development fee for a minimum number of stores to be developed, as outlined in the respective ADA. ADA fees collected in advance are deferred until the Company provides substantially all required obligations pursuant to the ADA. As the efforts and total cost relating to initial services are affected significantly by the number of stores opened in an area, the respective ADA is treated as a divisible contract. As each new site is accepted under an ADA, a franchisee signs a franchise operating agreement for the respective franchise location. As each store opens under an ADA, franchisor typically has performance obligations associated with it. As such, the Company will recognize ADA revenue as each individual franchise location is developed in proportion to the total number of stores to be developed under the ADA. These obligations are typically completed once the store is opened or the franchisee executes the individual property lease.

d) *Accounts Receivable*

Trade accounts receivable consist of amounts due for franchise sales, are carried at their estimated collectible amounts and trade credit will be generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

The Company uses the reserve method of accounting for bad debts for financial reporting purposes and the direct write-off method for income tax purposes. Trade accounts receivable are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all unreserved accounts receivable to be collectible. As of December 31, 2022, a total of $0 in accounts were reserved

1. ***Summary of Significant Accounting Policies*** **- (Cont.)**

e) ***Income Taxes***

The Company filed an election with the Internal Revenue service to be treated as a Limited Liability Corporation ("LLC") for all its initial taxable years. An LLC is not subject to corporate income tax. The Company's taxable income or loss and tax credits pass through to the members. In 2020, the Company rescinded its LLC designation and was converted into a "C" corporation. As such, the Company recognized tax or related benefit on its earnings or losses.

The Company follows the provisions of Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The evaluation was performed for the tax years 2021, 2020 and 2019, the tax years which remains subject to examination by major tax jurisdictions as of December 31, 2022.

f) ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash equivalents consist of cash on hand and in banks.

g) ***Pervasiveness of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. ***Summary of Significant Accounting Policies*** **- *(Cont.)***

g) ***Pervasiveness of Estimates*** **- *(Cont.)***

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the balance sheet, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

h) ***Long-Lived Assets***

The Company reviews the carrying value of its long lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No adjustment has been provided for in the financial statements.

i) ***Concentrations, Risks and Uncertainties***

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents. The Company maintains its cash in well-known financial institutions selected based upon management's assessment of the financial institution's financial responsibility.

j) ***Fair Value***

The Company follows ASC 820-10, "Fair Value Measurements". ASC 820-10 provides a definition of fair value, establishes a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP") and requires expanded disclosure about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance. The fair value of financial instruments to be classified as assets or liabilities including cash and trademarks approximate carrying value, principally because of the short maturity of those items.

2. ***Accounts Receivable***

Accounts receivable consists of amounts due from franchisees for the purchase of franchises and royalty fees. Management uses the direct write-off method when in their opinion a balance is uncollectible. At December 31, 2022 the balance of accounts receivable amounted to $92,915 and bad debt expense amounted to $0 for the fiscal year.

3. *Investment in Franchise*

During 2019, the Company invested in a franchise opened by a non-related franchisee. The Company's $95,000 investment represents 31.71% of the franchise and the Company exercises significant influence over franchise operations. Accordingly, the investment is accounted for under the equity method. Under this method, the investment is initially recorded at cost and subsequently adjusted to account for its share of the investment franchise's profits and losses. For 2022, the franchise (loss)/income was ($52,068) and the investment was terminated.

During 2022, the Company invested in two affiliated franchises. A total of $400,000 was invested for a 100% ownership stake. The investments are accounted for under the equity method. The net adjustment to the investment of the Company's share of investments' profit and losses amounted to $195,499 for 2022.

4. *Note Receivable from Franchisee*

Beginning in January 2021, the Company advanced funds to cover costs in establishing a franchisee in Evanston, Illinois. Total amounts advanced through December 31, 2022 amounted to $89,365. During 2022, an additional $35,635 was advanced. These combined amounts along with $96,184 in accounts receivable due the Company from the franchisee were converted into a 4.3% promissory note. The note requires no monthly payments and the principal and accrued interest are due upon the maturity date of December 31, 2026.

5. *Property and Equipment*

Property and equipment at December 31, 2022, consists of the following:

Training wall	$ 5,750
Office furniture and equipment	-
	5,750
Less accumulated depreciation	(1,150)
	$ 4,600

Depreciation expense for the year ended on December 31, 2022 amounted to $1,150.

6. ***Common Stock***

In August, 2020, the Company authorized the issuance of 3,000,000 shares of preferred stock and 13,000,000 shares of common stock with a par value of $.0001 per share, respectively. During 2020, the Company converted certain notes payable into common stock and solicited additional investments/capital through StartEngine. A total of $384,491 was raised via StartEngine as part of the services provided StartEngine used and kept $40,113 of the capital raised that was charged as investment fees. In addition, StartEngine has withheld an additional $21,465 in escrow to be released six (6) months after the campaign to raise funds is closed. During 2021, an additional net amount of $811,361 was raised via StartEngine. During the year a total of $48,746 was charged by StartEngine as investment fees and as of December 31, 2022 the amount of $11,515 remains withheld in escrow and is reflected as contributions receivable at year end. During 2022, an additional amount of $312,250 was raised via StartEngine. During the year a total of $40,506 was charged as investment fee and as of December 31, 2022 the amount of $2,220 remains in escrow and is reflected as contributions receivable at December 31, 2022.

7. ***Franchise Sales and Agreements***

The Company started offering franchises in February of 2019. The Company enters into franchise agreements with its franchisees. Company's franchise agreements require the Company to provide various items to franchisees including, but not limited to, marketing and operational support.

8. ***Subsequent Events***

Management has evaluated subsequent events through March 17, 2023, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements.

TAPVILLE FRANCHISING, INC.

Financial Statements

December 31, 2021

(With Independent Auditors' Report Thereon)

SMITH, BUZZI & ASSOCIATES, LLC.
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JULIO M. BUZZI, C.P.A.
JOSE E. SMITH, C.P.A.

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Tapville Franchising, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tapville Franchising, Inc., which comprise the balance sheet as of December 31, 2021 and the related statements of operations and retained earnings and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tapville Franchising, Inc., as of December 31, 2021 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Smith, Buzzi & Associates, LLC.

Miami, Florida
April 27, 2022

TAPVILLE FRANCHISING, INC.

Balance Sheet

December 31, 2021

Assets

Cash	$ 392,921
Contributions receivable - escrow	11,515
Accounts receivable	553,755
Inventory	11,362
Due from Franchisee	89,365
Other assets	13,973
Investment in franchise	52,068
Total assets	$ 1,124,959

Liabilities and Stockholders' Equity

Liabilities:	
Accounts payable and accrued expenses	$ 69,368
Deferred revenue	231,170
Total liabilities	300,538
Stockholders' equity:	
Common stock	1,376,352
Retained earnings (deficit)	(551,931)
Total Stockholders' Equity	824,421
Total Liabilities and Stockholders' Equity	$ 1,124,959

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Operations and Retained Earnings (Deficit)

For the Year Ended December 31, 2021

Revenues:	
Franchise sales, net	$ 165,080
Product sales	580,103
Service fee income	139,380
Royalties and licensing	105,276
Earnings (loss) from investment in franchise	(20,033)
Other income	42,708
Total franchise revenues	1,012,514
Expenses:	
Cost of goods sold	477,731
Discounts, net	13,716
Payroll costs and sales commissions	145,903
Advertising and marketing	253,072
Legal and professional	104,924
Contractors	130,148
Investment fees	48,746
Dues and subscriptions	4,953
Travel	22,091
Meals and entertainment	7,835
Shipping	11,023
Office and other	45,964
Taxes and licenses	560
Total expenses	1,266,666
Net income (loss)	(254,152)
Retained earnings (deficit), beginning of year	(297,779)
Retained earnings (deficit), end of year	$ (551,931)

See accompanying notes to financial statements.

TAPVILLE FRANCHISING, INC.

Statement of Cash Flows

For the Year Ended December 31, 2021

Cash flows from operating activities:	
Net income (loss)	$ (254,152)
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization	-
Equity in loss of investment	20,033
(Increase) decrease in assets:	
Due from Franchisee	(89,365)
Accounts receivable	(513,058)
Inventory	(254)
Contributions receivable - escrow	9,950
Other assets	(13,973)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	67,155
Deferred revenue	231,170
Net cash used by operating activities	(542,494)
Cash flows from investing activities:	
Fixed asset dispositions, net	-
Net cash used by investing activities	-
Cash flows from financing activities:	
Issuance of common stock, net	811,361
Net cash provided by financing activities	811,361
Net increase in cash and cash equivalents	268,867
Cash and cash equivalents, beginning of year	124,054
Cash and cash equivalents, end of year	$ 392,921
Supplementary disclosure of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -

See accompanying notes to financial statements.

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TAPVILLE FRANCHISING, INC.

Notes to Financial Statements

December 31, 2021

1. ***Summary of Significant Accounting Policies***

Tapville Franchising, Inc. ("Company") was formed in the State of Illinois in December 2018. The principal purpose of the Company is to offer and sell franchises that provide beer and wine using a revolutionary pour-your-own technology making each visit a new craft beer adventure. The Company serves also house-smoked barbeque in a family-friendly atmosphere.

a) ***Method of Accounting***

Assets and liabilities and revenue and expenses are recognized on the accrual basis of accounting.

b) ***Property and Equipment***

Property and equipment is stated at cost. Depreciation is computed using the straight line method of depreciation over the estimated useful life of the assets, which are 5 years.

For federal income tax purposes, depreciation is computed using the appropriate accelerated methods allowed for tax purposes.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

c) ***Franchise Revenues***

Income is principally comprised of revenues earned by the Company as part of the franchise sales to customers. Additional revenues earned by the Company are expected from the sales of products, marketing materials and other services to the franchisees and royalties.

The Company recognizes its franchise revenues in accordance with Statement of Financial Accounting Standards ASC 606, which allows that franchise fees from franchise sales be recognized, net of an allowance for uncollectible amounts, if the initial franchise fee is distinct from the franchise license. The Company generally charges an initial upfront nonrefundable franchise fee upon execution of the Company's Unit Franchise Agreement. Initial franchise fees are typically deferred. A portion of the initial franchise fee is allocated to certain distinct performance obligations and is recognized as revenue when the Company has determined it has provided substantially all of its material obligations required to recognize revenue related to those distinct performance obligations. The portion of the franchise fee that is not allocated to individually distinct performance obligations is recognized as revenue over the term of each respective franchise agreement.

The individual franchise agreements typically have a 10 year initial term and provide the franchisee with an opportunity to enter into renewal terms subject to certain conditions.

1. ***Summary of Significant Accounting Policies* - (Cont.)**

c) **Franchise fees/Deferred revenue** ***(Cont.)***
The Company recognizes revenue when all of the following four criteria are met:

- persuasive evidence of a sales arrangement exists
- all material obligations have been provided
- the sales price is fixed or determinable and
- collectability is probable

Deferred revenue represents cash received from franchisees for franchise fees and area development fees for which revenue recognition criteria has not been met.

As of December 31, 2021, the Company has recorded deferred franchise fees of $231,170 relating to stores to be opened in future years or unamortized fees relating to open stores. These amounts are included in deferred revenue.

Area development fees - Franchisees contractually enter into area development agreements ("ADAs") to secure the exclusive right to open franchise stores within a defined geographical area. ADAs establish the timing and number of stores to be developed within the defined geographical area. Pursuant to an ADA, a franchisee is generally required to pay an initial nonrefundable development fee for a minimum number of stores to be developed, as outlined in the respective ADA. ADA fees collected in advance are deferred until the Company provides substantially all required obligations pursuant to the ADA. As the efforts and total cost relating to initial services are affected significantly by the number of stores opened in an area, the respective ADA is treated as a divisible contract. As each new site is accepted under an ADA, a franchisee signs a franchise operating agreement for the respective franchise location. As each store opens under an ADA, franchisor typically has performance obligations associated with it. As such, the Company will recognize ADA revenue as each individual franchise location is developed in proportion to the total number of stores to be developed under the ADA. These obligations are typically completed once the store is opened or the franchisee executes the individual property lease.

d) ***Accounts Receivable***

Trade accounts receivable consist of amounts due for franchise sales, are carried at their estimated collectible amounts and trade credit will be generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

1. ***Summary of Significant Accounting Policies*** ***- (Cont.)***

d) ***Accounts Receivable*** ***- (Cont.)***

The Company uses the reserve method of accounting for bad debts for financial reporting purposes and the direct write-off method for income tax purposes. Trade accounts receivable are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all unreserved accounts receivable to be collectible. As of December 31, 2021, a total of $0 in accounts were reserved.

e) ***Income Taxes***

The Company filed an election with the Internal Revenue service to be treated as a Limited Liability Corporation ("LLC") for all its initial taxable years. An LLC is not subject to corporate income tax. The Company's taxable income or loss and tax credits pass through to the members. In 2020, the Company rescinded its LLC designation and was converted into a "C" corporation. As such, the Company recognized tax or related benefit on its earnings or losses.

The Company follows the provisions of Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The evaluation was performed for the tax years 2021, 2020 and 2019, the tax years which remains subject to examination by major tax jurisdictions as of December 31, 2021.

f) ***Cash Flows***

For purposes of the statement of cash flows, cash equivalents consist of cash on hand and in banks.

g) ***Pervasiveness of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. ***Summary of Significant Accounting Policies* - (Cont.)**

g) *Pervasiveness of Estimates* - (Cont.)

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the balance sheet, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

h) *Long-Lived Assets*

The Company reviews the carrying value of its long lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No adjustment has been provided for in the financial statements.

i) *Concentrations, Risks and Uncertainties*

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents. The Company maintains its cash in well-known financial institutions selected based upon management's assessment of the financial institution's financial responsibility.

j) *Fair Value*

The Company follows ASC 820-10, "Fair Value Measurements". ASC 820-10 provides a definition of fair value, establishes a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP") and requires expanded disclosure about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance. The fair value of financial instruments to be classified as assets or liabilities including cash and trademarks approximate carrying value, principally because of the short maturity of those items.

2. ***Investment in Franchise***

During 2019, the Company invested in a franchise opened by a non-related franchisee. The Company's $95,000 investment represents 31.71% of the franchise and the Company exercises significant influence over franchise operations. Accordingly, the investment is accounted for under the equity method. Under this method, the investment is initially recorded at cost and subsequently adjusted to account for its share of the investment franchise's profits and losses. For 2021, 2020 and 2019, the franchise (loss)/income was ($20,033), ($26,844) and $3,945, respectively.

3. *Due from Franchisee*

Beginning in January 2021, the Company advanced funds to cover costs in establishing a franchisee in Evanston, Illinois. Total amounts advanced through December 31, 2021 amounted to $89,365. The advanced amounts are to be converted to an equity investment in the franchisee location. As such the advances will not be collected. Currently the Company and the franchisee are in process of finalizing legal documents converting the advances to an equity investment. The accompanying financial statements do not include any adjustment that may be required if the conversion to an equity investment is not finalized.

4. *Property and Equipment*

Property and equipment at December 31, 2021, consists of the following:

Computer	$ -
Office furniture and equipment	-
	-
Less accumulated depreciation	-
	$ -

Depreciation expense for the year ended on December 31, 2021 amounted to $0.

5. *Common Stock*

In August, 2020, the Company authorized the issuance of 3,000,000 shares of preferred stock and 13,000,000 shares of common stock with a par value of $.0001 per share, respectively. During 2020, the Company converted certain notes payable into common stock and solicited additional investments/capital through StartEngine. A total of $384,491 was raised via StartEngine as part of the services provided StartEngine used and kept $40,113 of the capital raised that was charged as investment fees. In addition, StartEngine has withheld an additional $21,465 in escrow to be released six (6) months after the campaign to raise funds is closed. During 2021, an additional net amount of $811,361 was raised via StartEngine. During the year a total of $48,746 was charged by StartEngine as investment fees and as of December 31, 2021 the amount of $11,515 remains withheld in escrow and is reflected as contributions receivable at year end.

6. ***Franchise Sales and Agreements***

The Company started offering franchises in February of 2019. The Company enters into franchise agreements with its franchisees. Company's franchise agreements require the Company to provide various items to franchisees including, but not limited to, marketing and operational support.

7. ***Subsequent Events***

Management has evaluated subsequent events through April 27, 2022, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements.

EXHIBIT D TO THE DISCLOSURE DOCUMENT
LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets:

ARIZONA	
N/A	
CALIFORNIA	
LECHYC Holdings West Coast, LLC **c/o Andrew Lech** **12520 Crenshaw Blvd.** **Hawthorne, CA 90250** **T: 708-404-1255**	
COLORADO	
Meraki Holdings, Ltd **c/o Colton Harris** **1010 Park Avenue West** **Denver, CO 80205** **T: 720-839-1045** ***KIOSK***	
CONNECTICUT	
NextChapterABM LLC **c/o Michael Gallop** **401 Federal Road** **Brookfield, Connecticut 06804** **T: 203-395-1236**	**NextChapterapwestbrook, LLC** **c/o Michael Gallop** **314 Flat Rock Pl, Suite #E130** **West Brook, Connecticut 06498** **T: 203-395-1236**
FLORIDA	
Knoll Group LLC **c/o Terry Knoll** **350 S.W. 2nd Avenue, Unit 1150** **Ft. Lauderdale, Florida 33301**	**Moon's Beer Kiosk, LLC** **c/o Sandy Moonsamy** **8001 S Orange Blossom Trail** **Orlando, FL 32809** **T: 912-484-0343**
Sunshine Tap, LLC **c/o Brian Dunleavy** **2300 Grand Cypress Drive** **Lutz, FL 33559** **T: 813-838-8896**	**Todd Rittle** **10108 Evergreen Hill Drive** **Tampa, Florida 33647** **T: 727-729-2758**
ILLINOIS	
Tapville Social - Rosemont **5220 Fashion Outlets Way** **Rosemont, IL 60018** **T: 847-928-7500**	**A312 Taproom, LLC** **c/o Ajaykrishnan Venkatachalam** **T: 312-203-2038**

	Woodfield Mall - KIOSK **5 Woodfield Mall** **Schaumburg, IL 60173**
Final Stretch Events LLC **c/o Edwin Jose Goitia** **T: 630-888-7298** ***Chicagoland*** **662 Kelley Drive** **North Aurora, Illinois 60542** ***Fox Valley Mall*** **195 Fox Valley Center Drive** **Aurora, IL 60504**	**Tapville Social – Mobile Taproom** **216 S. Washington** **Naperville, IL 60540** **T: 847-928-7500** **(Operated under a franchise agreement with Craft & Q, LLC, an entity wholly owned by our CEO, Joseph Tota)**
Bangers and Lace Evanston, LLC **c/o Robert Podesta** **810 Grove Street** **Evanston, Illinois 60201** **T: 847-905-0873**	**Tapville Social – Red Arrow – Elmhurst, IL** **111 E. First St.** **Elmhurst, IL 60126** **T: 847-928-7500** **(Operating pursuant to a management agreement)**
KENTUCKY	
Sai Gandhan **7900 Shelbyville Road** **Louisville, KY 40222** **T: 409-392-0323** ***KIOSK***	
LOUISIANA	
D+V Schwab, LLC **c/o Daniel Schwab** **520 Rio Vista Avenue** **Jefferson, LA 70121** **T: 504-319-2817**	
MARYLAND	
G Squared Associates, LLC **c/o Katrina Greene** **10300 Little Patuxent Parkway** **Columbia, MD 21044** **T: 202-497-4133**	**Chandra Goodman** **95 Capital Court** **Upper Marlboro, Maryland 20774** **T: 202-498-5920**
MASSACHUSETTS	
JK Management Unlimited, LLC **c/o Kelsey Lindsey**	

34 Southwest Park **Westwood, MA 0209** **T: 508-523-5569**	
MICHIGAN	
Pour It Yo Damself LLC **c/o Sam Kirkland** **23221 Argyle Road** **Novi, MI 48374** **T: 773-454-2948**	
MISSISSIPPI	
N/A	
NEVADA	
N/A	
NEW YORK	
Caitlyn Yajaira & Marlon Herrera **8 W. Main Street** **Patchogue, NY 11772** **T: 516-406-6319**	
NORTH DAKOTA	
N/A	
OHIO	
N/A	
PENNSYLVANIA	
Wexford Taps, LLC **c/o Saurabh Bhatia** **11978 Perry Highway, Unit 401** **Wexford, PA 15090** **T: 412-526-3782**	**Krishnasamy Karuppiah** **11978 Perry Highway** **Suites 401-403** **Wexford, Pennsylvania 15090** **T: 412-478-1312**
RHODE ISLAND	
N/A	
TEXAS	
JFW Texas Tap, LLC **c/o Felix Waller** **T: 918-740-6360** **16628 San Pedro Avenue,** **San Antonio, TX 78232** **15900 La Cantera Parkway** **San Antonio, TX 78256** **2601 Preston Road** **Frisco, TX 75034**	**Successville, LLC** **111 S. Main Street** **Nolanville, TX 76559** ***Northwestern*** **c/o Meredith Viguers** **T: 254-466-9121** ***Metroplex*** **c/o Jonathan Viguers** **T: 254-466-9122** ***Central***

1201 Lake Woodlands Drive, Suite 700 **Woodlands, TX 77380**	**c/o Jonathan Viguers** **T: 254-466-9122**
Twisted Tap, LLC **c/o Lillie Bartholomew** **126 North Star** **Tuscola, TX 79562** **T: 325-660-4512**	**Cross Mountain Vineyards, LLC** **c/o Justin Evans** **308 East Main Street** **Fredericksburg, TX 78624** **T: 214-499-7981**
Come and Pour it, LLC **c/o Nadia & Justin Urias** **4304 Roadrunner Trail** **Midland, TX 79707** **T: 432-312-8696**	**Houston Hub, Inc.** **c/o Nina De La Cruz** **9814 Joyce Drive** **Iowa Colony, TX 77583** **T: 832-305-5033**
Keaghon & Tiffany Daville **8075 E. Ashford Park** **Orange, Texas 77612** **T: 409-313-2211**	**Rob Kliner** **Grapevine Mills Crossing** **Grapevine Mills Parkway** **Grapevine, Texas 76051** **T: 240-593-2150**
VIRGINIA	
N/A	
WISCONSIN	
Matty's Bar & Grill, Inc. **c/o Matt Anderson** **14460 W. College Avenue** **New Berlin, WI 53151** **T: 414-305-9278**	

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Robert Kliner – Restaurant 3540 N. Grapevine Mills Blvd., Suite 100 Grapevine, TX 76051 *Terminated*	Jay King 2478 Alfa Circle Las Vegas, Nevada 89142 T: 865-387-0100 Las Vegas, NV – Restaurant 3200 S Las Vega Blvd., Suite S

	Las Vegas, NV 89109 *Terminated*
Tchula, MS – Mobile 20 Rushbrook Road Tchula, MS 39169 *Transferred*	El Segundo, CA – Restaurant 740 S Allied Way, Suite A El Segundo, CA 90245 *Terminated*

The following is a list of the names of all current corporate-owned locations and the address and telephone number of each of the outlets:

None.

EXHIBIT E TO THE DISCLOSURE DOCUMENT
TAPVILLE SOCIAL
OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT F TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

TAPVILLE FRANCHISING INC.
AREA DEVELOPMENT AGREEMENT

____
Developer

____
Effective Date

TAPVILLE FRANCHISING INC.
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made this day of_______________, 20__ by and between **TAPVILLE FRANCHISING INC.,** a Delaware corporation with its principal business located at 216 S. Washington Street, Naperville, Illinois 60540 ("we" or "us") and___________________________, a(n) ____________________________________ _________________________ _________whose principal business address is ("developer" or "you"). If the developer is a corporation, partnership or limited liability company, certain provisions of the Agreement also apply to your owners and will be noted.

RECITALS

A. We have developed a unique system for operating a business that provides a self-pour beer taproom and self-service restaurant, kiosk, or mobile unit offering craft beer, wine, cider, and cocktails as well as other beverage and food offerings using certain standards and specifications;

B. Many of the services and products are prepared and undertaken according to specified procedures or made with proprietary formulas, techniques and mixes;

C. We own the rights to the USPTO Mark "Tapville Social" Trademark and other trademarks used in connection with the Operation of a Tapville Social Business;

D. We have decided to sublicense the right to develop and operate Tapville Social Locations;

E. You desire to develop and operate several Tapville Social locations and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. "Locations" means the Tapville Social locations you develop and operate pursuant to this Agreement.

B. "Products" means the specific services and products set forth in our franchise information packet, or as we may modify, add, or change them from time to time.

C. "Principal Owner" means any person who directly or indirectly owns a 10% or greater interest in the developer when the developer is a corporation, limited liability company, a partnership, or a similar entity. However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly owns less than a 10% interest in the developer, that person or entity may, in our sole discretion, be considered a Principal Owner for all purposes under this Agreement, including, but not limited to, the execution of the personal guaranty referenced in Section 10.J below. In addition, if the developer is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest. If the developer is one or more individuals, each individual is a Principal Owner of the developer. You must have at least one Principal Owner.

D. "System" means the Tapville Social System, which consists of distinctive products and services prepared according to special and confidential processes and formulas with unique preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

E. "Trademarks" means the Tapville Social Trademark and Service Mark that is registered with the United States Patent and Trademark Office and the trademarks, service marks and trade names set forth in each Franchise Agreement, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Locations. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Locations from time to time.

GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate NUMBER (#) Tapville Social locations (each a "Location", and collectively, the "Locations") within the territory described on Appendix A ("Development Territory").

B. You are bound by the Development Schedule set forth in Appendix B ("Development Schedule"). Time is of the essence for the development of each Location in accordance with the Development Schedule. Each Location must be developed and operated pursuant to a separate Franchise Agreement that you enter into with us pursuant to Section 4.B below.

C. If you are in compliance with the Development Schedule set forth on Appendix B, we will not develop or operate or grant anyone else a franchise to develop and operate a Tapville Social Location business in the Development Territory prior to the earlier of (i) the expiration or termination of this Agreement; (ii) the date on which you must execute the Franchise Agreement for your last Location pursuant to the terms of the Development Schedule or (iii) the date on which the Designated Area for your final Location under this Agreement is determined, except (a) for the Special Sites defined in Section 2.D below; (b) in the event that the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area shall expire upon the earliest of (1) any of the foregoing events or (2) the date when the Designated Area for your final Location to be developed in such city, county or designated market area under this Agreement is determined; or (c) as otherwise provided in this Agreement.

Notwithstanding anything in this Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory shall expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, Tapville Social Locations in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated. At the time you execute your final Franchise Agreement under the Development Schedule, you must have an Authorized Location for your final Location.

D. The rights granted under this Agreement are limited to the right to develop and operate Locations located in the Development Territory, and do not include (i) any right to sell Products and services identified by the Trademarks at any location or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), other than at Locations within the Development Territory, (ii) any right to sell Products and services identified by the Trademarks to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned Locations at any time or at any location outside of the Development Territory. You may not use "Tapville Social" or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity.

You acknowledge and agree that (i) we and our affiliates have the right to operate or franchise within the Designated Area one or more facilities selling all or some of the Products, using the Trademarks or any other trademarks, service marks or trade names, without compensation to any franchisee, provided however, that such facilities shall not be mobile facilities but rather from a fixed location if it is confined to your Designated Area; (ii) we and our affiliates have the right outside of the Development Territory to grant other franchises or operate company or affiliate owned Tapville Social Locations and offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names or through any distribution channel or method, all without compensation to any developer; and (iii) we and our affiliates have the right to operate and franchise others to operate Locations or any other business within and outside the Development Territory under trademarks other than the Tapville Social Trademarks, without compensation to any developer, except that our operation of, or association or affiliation with, Locations (through franchising or otherwise) in the Development Territory that compete with Tapville Social Locations in the service oriented Location segment will only occur through some form of merger or acquisition with an existing Location chain.

In addition, we and our affiliates have the right to offer, sell or distribute, within the Development Territory, any Products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, except for Prohibited Items (as defined below), through any distribution channels or methods, without compensation to any developer. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, hospitals, clinics, health care facilities, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the internet (or any other existing or future form of electronic commerce).

The Prohibited Items are the following items that we will not sell in the Development Territory through other distribution channels or methods: NONE.

Further, you acknowledge that certain locations within the Development Territory are by their nature unique and separate in character from sites generally developed as Tapville Social Locations. As a result, you agree that the following locations ("Special Sites") are excluded from the Development Territory and we have the right, subject to our then-current Special Sites Impact Policy, to develop or franchise such locations: (1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) community and special events.

E. This Agreement is not a Franchise Agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or sub-franchise others to operate a business or Location or use the System or the Trademarks.

DEVELOPMENT FEE

3. You must pay a Development Fee as described below:

A. As consideration for the rights granted in this Agreement, you must pay us a "Development Fee" of $22,250.00 ($9,750 if operating a kiosk) x # of Locations, representing one-half of the Initial Franchise Fee for each Location to be developed under this Agreement. The Initial Franchise Fee for the first Location is $44,500.00 ($19,500 if operating a kiosk). The Initial Franchise Fee for the second Location and for each subsequent Location is $44,500.00 less $22,250.00 ($19,500 less $9,750 if operating a kiosk) paid as deposit, which is $22,250.00.

The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon execution of this Agreement and is non-refundable. The part of the Initial Franchise Fee that is included in the Development Fee is credited against the Initial Franchise Fee payable upon the signing of each individual Franchise Agreement. The balance of the Initial Franchise Fee for the first Location must be paid at the time of execution of this Agreement, together with the execution by you of the Franchise Agreement for the first Location. The total amount to be paid by you at the time of execution of this Agreement pursuant to this Section, including both the Development Fee and the balance of the Initial Franchise Fee for your first Location is $44,500 ($19,500 if operating a kiosk). The balance of the Initial Franchise Fee for each subsequent Location ($22,250 or $9,750 if operating a kiosk) is due as specified in Section 3.B.

B. You must submit a separate application for each Location to be established by you within the Development Territory as further described in Section 4. Upon our consent to the site of your Location, a separate Franchise Agreement must be executed for each such Location, at which time the balance of the Initial Franchise Fee for that Location is due and owing. Such payment represents the balance of the appropriate Initial Franchise Fee, as described above in Section 3.A. Upon the execution of each Franchise Agreement, the terms and conditions of the Franchise Agreement control the establishment and operation of such Location.

DEVELOPMENT SCHEDULE

4. The following provisions control with respect to your development rights and obligations:

A. You are bound by and strictly must follow the Development Schedule. By the dates set forth under the Development Schedule, you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Locations described under the Development Schedule. You also must comply with the Development Schedule requirements regarding (i) the Location type to be developed and the opening date for each Location and (ii) the cumulative number of Locations to be open and continuously operating for business in the Development Territory. If you fail to either execute a Franchise Agreement or to open a Location according to the dates set forth in the Franchise Agreement, we, in our sole discretion, may (i) require that you hire a franchise development expert with recognized experience in developing franchises in a similar line of business to ours or (ii) immediately terminate this Agreement pursuant to Section 7.B.

B. You may not develop a Location unless (i) at least 45 days, but no more than 60 days, prior to the date set forth in the Development Schedule for the execution of each Franchise Agreement, you send us a notice (a) requiring that we send you our then current disclosure documents, (b) confirming your intention to develop the particular Location and (c) sending us all information necessary to complete the Franchise Agreement for the particular Location and (ii) all of the following conditions have been met (these conditions apply to each Location to be developed in the Development Territory):

1. Your Submission of Proposed Site. You must find a proposed site for the Location which you reasonably believe to conform to our site selection criteria, as modified by us from time to time, and submit to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for such site.

2. Our Consent to Proposed Site. You must receive our written consent to your proposed site. We agree not to unreasonably withhold consent to a proposed site. Prior to granting our consent to a site, you must have the site evaluated by the proprietary site evaluator software that has been developed by MapQuest or any similar mapping software. In approving or disapproving any proposed site, we will consider such matters as we deem material, including demographic characteristics of the proposed site, traffic patterns, competition, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase or lease obligations for the proposed site) and the size of premises, appearance and other physical characteristics. Our consent to a proposed site, however, does not in any way constitute a guaranty by us as to the success of the Location.

3. Your Submission of Information. You must furnish to us, at least 30 days prior to the earliest of (i) the date set forth in the Development Schedule by which you must execute a Franchise Agreement or (ii) the actual date in which the Franchise Agreement would be executed, a franchise application for the proposed Location, financial statements and other information regarding you, the operation of any of your other Locations within the Development Territory and the development and operation of the proposed Location (including, without limitation, investment and financing plans for the proposed Location) as we may reasonably require.

4. Your Compliance with Our Then-Current Standards for Franchisees. You must receive written confirmation from us that you meet our then-current standards for franchisees, including financial capability criteria for the development of a new Location. You acknowledge and agree that this requirement is necessary to ensure the proper development and operation of your Locations and preserve and enhance the reputation and goodwill of all Tapville Social Locations and the goodwill of the Trademarks. Our confirmation that you meet our then-current standards for the development of a new Location, however, does not in any way constitute a guaranty by us as to your success.

5. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have

satisfied, on a timely basis, all monetary and material obligations under the Franchise Agreements for all existing Locations.

6. Execution of Franchise Agreement. You and we must enter into our then-current form of Franchise Agreement for the proposed Location. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Location must be in accordance with the terms of the applicable Franchise Agreement.

C. You must begin substantial construction of each of the Locations at least 150 days before the deadline to open each of the Locations if the Location will be in a free-standing location or at least 120 days before the deadline to open the Location if the Location will be in a non-free standing location. In addition, on or before the deadlines to start construction you must submit to us executed copies of any loan documents and/or any other document that proves that you have secured adequate financing to complete the construction of the Location by the date you are obligated to have that Location open and in operation. In the event that you fail to comply with any of these obligations, we will have the right to terminate this Agreement without opportunity to cure pursuant to subparagraph 7.B.

D. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of Locations within the Development Territory and recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your management and employees. We expressly disclaim the making of, and you acknowledge that you have not received, any estimates, projections, warranties or guaranties, express or implied, regarding potential gross sales, profits, earnings or the financial success of the Locations you develop within the Development Territory.

E. You recognize and acknowledge that this Agreement requires you to open Locations in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in the Franchise Disclosure Document and Franchise Agreement are only estimates and are subject to increase over time, and that future Locations likely will involve different initial investment and operating capital requirements than those stated in the Franchise Disclosure Document or Franchise Agreement provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all the Locations on the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Locations, or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Locations.

TERM

5. Unless sooner terminated in accordance with Section 7 of this Agreement, the term of this Agreement and all rights granted to you will expire on the date that your last Tapville Social Location is scheduled to be opened under the Development Schedule.

YOUR DUTIES

6. You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including the operating requirements specified in each Franchise Agreement.

B. You and your owners, officers, directors, shareholders, partners, members and managers (if any) acknowledge that your entire knowledge of the operation of a Tapville Social Location and the System, including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential and constitutes our trade secrets. The term "trade secrets" refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Locations. You and your owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

C. You must comply with all requirements of federal, state, and local laws, rules, and regulations.

D. If you at some time in the future desire to make either a public or a private offering of your securities, prior to such offering and sale, and prior to the public release of any statements, data, or other information of any kind relating to the proposed offering of your securities, you must secure our written approval, which approval will not be unreasonably withheld. You must secure our prior written consent to any and all press releases, news releases and any and all other publicity, the primary purpose of which is to generate interest in your offering. Only after we have given our written approval may you proceed to file, publish, issue, and release and make public any said data, material and information regarding the securities offering. It is specifically understood that any review by us is solely for our own information, and our approval does not constitute any kind of authorization, acceptance, agreement, endorsement, approval, or ratification of the same, either expressly or implied. You may make no oral or written notice of any kind whatsoever indicating or implying that we and/or our affiliates have any interest in the relationship whatsoever to the proposed offering other than acting as Franchisor. You agree to indemnify, defend, and hold us and our affiliates harmless, and our affiliates' directors, officers, successors and assigns harmless from all claims, demands, costs, fees, charges, liability or expense (including attorneys' fees) of any kind whatsoever arising from your offering of information published or communicated in actions taken in that regard.

E. If neither you, your Principal Owner, nor any other person in your organization possesses, in our judgment, adequate experience and skills to allow you to locate, obtain, and develop prime locations in the Development Territory to allow you to meet your development obligations under this Agreement, we can require that you hire or engage a person with those necessary skills.

DEFAULT AND TERMINATION

7. The following provisions apply with respect to default and termination:

A. The rights and territorial protection granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 2, 4 and 6 of this Agreement, including the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreements between you or your affiliates and us or our affiliates. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, (ii) you fail to meet the development obligations set forth in the Development Schedule attached as Appendix B, (iii) failure to start substantial construction of any of the Locations by the date established in Section 4.C (iv) failure to secure financing for the construction of any of the Locations by the date set forth in Section 4.C (v) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you, or (vi) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

C. Alternatively, and at our discretion, in the event that you fail to meet the Development Schedule, we may elect to modify the Development Schedule and reduce the number of Locations granted to you therein to a schedule which we believe, in our sole and absolute discretion, which you are more capable of managing.

RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

8. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Locations under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, Tapville Social Locations in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains the name or any of the words "Tapville Social" or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title, and interest in and to your telephone numbers and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Trademarks and to authorize transfer of same at our direction.

E. You must, within thirty (30) days of the termination or expiration, pay all sums owing to us and our affiliates, including the balance of the Initial Franchise Fees that we would have received had you developed all of the Locations set forth in the Development Schedule. In addition to the Initial Franchise Fees for undeveloped Locations, you agree to pay as fair and reasonable liquidated damages (but not as a penalty) an amount equal to $10,000.00 for each undeveloped Location. You agree that this amount is for lost revenues from Continuing Fees and other amounts payable to us, including the fact that you were holding the development rights for those Locations and precluding the development of certain Locations in the Development Territory, and that it would be difficult to calculate with certainty the amount of damage we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

All unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us as a result of the default. You also must pay to us all damages, costs, and expenses, including reasonable attorneys' fees and expenses that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. If this Agreement is terminated solely for your failure to meet the Development Schedule and for no other reason whatsoever, and you have opened at least 50% of the total number of Locations provided for in the Development Schedule, you may continue to operate those existing Locations under the terms of the separate Franchise Agreement for each Location. On the other hand, if this Agreement is terminated under any other circumstance, we have the option to purchase from you at book value all the assets used in the Locations that have been developed prior to the termination of this Agreement. Assets include leasehold improvements, equipment, automobiles/trucks/vans, furniture, fixtures, signs, inventory, liquor licenses, and other transferable licenses and permits for the Locations.

We have the unrestricted right to assign this option to purchase. We or our assignee will be entitled to all customary warranties and representations given by the seller of a business including, without limitation, representations and warranties as to (i) ownership, condition and title to assets; (ii) liens and encumbrances relating to the assets; and (iii) validity of contracts and liabilities, inuring to us or affecting the assets, contingent or otherwise. The purchase price for the assets of the Locations will be determined in accordance with the post-termination purchase option provision in the individual Franchise Agreement for each Location (with the purchase price to include the value of any goodwill of the business attributable to your operation of the Location if you are in compliance with the terms and conditions of the Franchise Agreement for that Location). The purchase price must be paid in cash at the closing of the purchase, which must take place no later than 90 days after your receipt of notice of exercise of this option to purchase, at which time you must deliver instruments transferring to us or our assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you; and (ii) all licenses and permits of the Locations that may be assigned or transferred. If you cannot deliver clear title to all of the purchased assets, or in the event there are other unresolved issues, the closing of the sale will be accomplished through an escrow. We have the right to set off against and reduce the purchase price by any and all amounts owed by you to us, and the amount of any encumbrances or liens against the assets or any obligations assumed by us. You and each holder of an interest in you must indemnify us and our affiliates against all liabilities not so assumed. You must maintain in force all insurance policies required pursuant to the applicable Franchise Agreement until the closing on the sale.

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

TRANSFER

9. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you transfer all of your rights and interests under all Franchise Agreements for Locations in the Development Territory. Accordingly, the assignment terms and conditions of the Franchise Agreements shall apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you.

C. THE COMPANY'S RIGHT OF FIRST REFUSAL. If developer (or its owners) shall at any time determine to sell, assign or transfer for consideration this Agreement (or an interest therein) or an ownership interest in developer, or all or substantially all of the assets of developer, developer (or its owners) shall obtain a bona fide, executed written offer and earnest money deposit from a responsible and fully disclosed prospective purchaser and submit an exact copy of such offer to us. However, if the offeror proposes to buy any other property or rights, other than rights under Franchise Agreements executed pursuant hereto, from developer or any of its affiliated entities (or their respective owners) such proposal must be under a separate, contemporaneous offer. The price and terms of purchase offered to developer (or its owners) for the interest in this Agreement and Franchise Agreements or developer (or any affiliated entities) shall reflect the bona fide price offered therefore and shall not reflect any value for any other property or rights. We shall have the right, exercisable by written notice delivered to developer or its owners within fifteen (15) days from the date of delivery of an exact copy of such offer to us, to purchase this Agreement (or such interest in this Agreement) or such ownership interest in developer or such assets for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer, our credit shall be deemed equal to the credit of any proposed purchaser and we shall have not less than fifteen (15) days to prepare for closing. If we do not exercise our right of first refusal, developer (or its owners) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval, provided, however, that if the sale to such purchaser is not completed within one hundred eighty (180) days after delivery of such offer to us, or if there is a material change in the terms of the sale, we shall again have the right of first refusal provided herein.

D. DEATH OR PERMANENT DISABILITY OF DEVELOPER. Upon the death or permanent disability of developer or an owner of developer, the executor, administrator, conservator or other personal representative of such person shall transfer his interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a third party approved by us. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to all the terms and conditions for assignments and transfers contained in Section and, unless transferred by gift, devise or inheritance, subject to the terms of Section 9(C) hereof. Failure to dispose of such interest within said period of time shall constitute a breach of this Agreement.

E. CONDITIONS FOR APPROVAL OF TRANSFER. If developer (or, if developer is a corporation or partnership, its shareholders or partners) is in full compliance with this Agreement and all Franchise Agreements, we shall not unreasonably withhold our approval of a transfer that meets all the applicable requirements of this Section 9(E). The proposed transferee and its owners must be individuals of good moral character and otherwise meet our then applicable standards for developers of Locations. A transfer of this Agreement may be made only in connection with the transfer to the same transferee of all interests of developer (and all of its affiliated entities) in every Location developed pursuant to this Agreement. If the transfer is of the development rights granted under this Agreement or a controlling interest in developer, or is one of a series of transfers which in the aggregate constitute the transfer of the development rights granted under this Agreement or a controlling interest in developer, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

(1) the transferee must have sufficient business experience, aptitude and financial resources to operate developer’s business and develop the Development Area;

(2) Developer must pay us and our affiliates all amounts owed to us or our affiliates which are then due and unpaid and submit all required reports and statements which have not yet been submitted;

(3) the transferee must agree to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term;

(4) Developer (and its owners) must execute general releases of any and all claims against us, our affiliates, officers, directors, employees and agents;

(5) all Franchise Agreements between us and Developer or any affiliated entity must be transferred to the transferee of this Agreement (or the transferee of a controlling interest in developer);

(6) Developer or the transferee must pay us a transfer fee in an amount equal to the Company's out-of-pocket expenses, which shall not exceed $15,000.00, relating to review and approval of the proposed transfer; and this transfer fee shall be in addition to any and all transfer fees paid in connection with the transfers of Franchise Agreements in conjunction with this transfer;

(7) the transferee and/or its personnel must agree to complete our training program to our satisfaction, for which the transferee must pay to the Company its then-current training fee; and

(8) We shall not have exercised its right of first refusal pursuant to Section 9C hereof. If the proposed transfer is to or among owners of developer who have executed the attached form of Owner's Guaranty and Assumption of Developer's Obligations, none of the above requirements shall apply, and it should only require notice to the Company. Subparagraph (8) shall not apply to transfers by gift, bequest or inheritance. In connection with any assignment permitted under this Section 9E, developer shall provide us with all documents to be executed by developer and the proposed assignee or transferee at least thirty (30) days prior to execution.

MISCELLANEOUS

10. The parties agree to the following provisions:

A. You agree to indemnify, defend, and hold us, our affiliates and our officers, directors, shareholders and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and operation of your Locations, as well as the costs, including attorneys' fees, of defending against them ("Franchise Claims"). Franchise Claims include, but are not limited to, those arising from any death, personal injury or property damage (whether caused wholly or in part through our or our affiliate's active or passive negligence), latent or other defects in any Location, or your employment practices. In the event a Franchise Claim is made against us or our affiliates, we reserve the right in our sole judgment to select our own legal counsel to represent our interests, at your cost.

B. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement constitutes the sole agreement between the parties with respect to the entire subject matter of this Agreement and embodies all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement. This Agreement and all related agreements executed simultaneously with this

Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.

D. Except as otherwise provided in this Agreement, any notice, demand or communication provided for must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If to us, addressed to TAPVILLE FRANCHISING INC., Attn.: Joseph Tota at 216 S. Washington Street, Naperville, Illinois 60540;

2. If to you, addressed to you at the last address we have on file for you;

Or, in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

E. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by the Principal Owner or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

F. Applicable Law. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the parties as if set forth here and as being equally applicable to this Agreement and the dealings of the parties hereunder.

G. If you are a corporation, partnership, limited liability company or partnership or other legal entity, all of your Principal Owners must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner must execute the form of undertaking and guarantee at the end of this Agreement.

H. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

I. In the event of any failure of performance of this Agreement according to its terms by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, "force majeure" shall mean acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party hereto, which prevents in whole or in material part the performance by one of the parties hereto of its obligations hereunder.

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the dates written below.

Franchisor
TAPVILLE FRANCHISING INC.

By: ________________________
Name: ______________________
Title: ______________________
Date: ______________________

By: ________________________
Name: ______________________
Title: ______________________
Date: ______________________

Developer

____
By: ________________________
Name: ______________________
Title: ______________________
Date: ______________________

Guarantors

By: ________________________
Name: ______________________
Date: ______________________

By: ________________________
Name: ______________________
Date: ______________________

By: ________________________
Name: ______________________
Date: ______________________

APPENDIX A

DEVELOPMENT TERRITORY

Your Development Territory shall consist of the area ____
____
____.

LICENSE TYPE

You have elected to purchase the following license type:

_______ License for a Brick-and-Mortar restaurant Tapville Franchise with a development fee of _______;

_______ License for a kiosk Tapville Franchise with a development fee of _______;

_______ License for a mobile Tapville Franchise with a development fee of _______.

APPENDIX B

DEVELOPMENT SCHEDULE

Unit Number	Date by Which Franchise Agreement Must be Signed	Opening Date	Cumulative Number of Units Operating in Territory by the Date in the Preceding Column
1			
2			
3			
4			
5			
6			
7			
8			

APPENDIX C TO AREA DEVELOPMENT AGREEMENT

OWNER'S GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

As an inducement to TAPVILLE FRANCHISING INC., a Delaware corporation ("Company") to execute TAPVILLE FRANCHISING INC.'s Area Development Agreement between Company and ________________________ ("Developer" or "You") dated ___________________, 20__ (the "Agreement"), the undersigned, jointly and severally, hereby unconditionally guarantee to Company and Company's successors and assigns that all of Developer's monetary and other obligations under the Agreement will be punctually paid and performed.

Upon demand by the Company, the undersigned each hereby jointly and severally agree to immediately make each payment required of Developer under the Agreement and waive any right to require the Company to: (a) proceed against Developer for any payment required under the Agreement; (b) proceed against or exhaust any security from Developer; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer; or (d) give notice of demand for payment by Developer. Without affecting the obligations of the undersigned under this Guarantee, the Company may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Company, Company's affiliates, and their respective officers, directors, employees, and agents harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Tapville Social" marks or system licensed to Developer under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms.

Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

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

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the parties as if set forth here and as being equally applicable to this Guaranty and the dealings of the parties hereunder.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

Guarantors

By: ___________________________
Name: _________________________
Date: __________________________

By: ___________________________
Name: _________________________
Date: __________________________

By: ___________________________
Name: _________________________
Date: __________________________

APPENDIX D TO THE AREA DEVELOPMENT AGREEMENT

LIST OF PRINCIPALS

Holders of Legal or Beneficial Interest:

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

____

____

Telephone No.: ______________________________

E-mail Address: ______________________________

Percentage of Ownership: __________%

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

____

____

Telephone No.: ______________________________

E-mail Address: ______________________________

Percentage of Ownership: __________%

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

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____

Telephone No.: ______________________________

E-mail Address: ______________________________

Percentage of Ownership: __________%

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

____

____

Telephone No.: ______________________________

E-mail Address: ______________________________

Percentage of Ownership: __________%

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

____

____

Telephone No.: ______________________________

Name: ______________________________

Position/Title: ______________________________

Home Address: ______________________________

____

____

Telephone No.: ______________________________

APPENDIX E TO THE AREA DEVELOPMENT AGREEMENT

STATE ADDENDA TO THE AREA DEVELOPMENT AGREEMENT

ILLINOIS ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Area Development Agreement.

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

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

4. 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.

AREA DEVELOPER:	TAPVILLE FRANCHISING INC.
By:________________________	By:________________________
Date:________________________	Date:________________________

AMENDMENT TO THE AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment amends the Area Development Agreement, dated ________________ (the “Agreement”), between Tapville Franchising Inc., a Delaware corporation (“Tapville Social”) and ________________________, a ________ ____________ (“Franchisee”).

1. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. This area development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[remainder of page intentionally blank]
[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Area Development Agreement on the same date as that on which the Area Development Agreement was executed.

FRANCHISOR:	**FRANCHISEE:**
Tapville Franchising Inc. doing business as Tapville Social	
By: ________________________ Name: Joseph Tota Title: Chief Executive Officer Date: ________________________	By: ________________________ Name: ________________________ Title: ________________________ Date: ________________________
Delivery Addresses for Notices:	Delivery Address for Notices:
Tapville Franchising Inc. 216 S. Washington Street Naperville, Illinois 60540	
Brett Buterick, Esquire The Franchise Firm LLP 225 Wilmington West Chester Pike, Suite 200 Chadds Ford, Pennsylvania 19317	

EXHIBIT G TO THE DISCLOSURE DOCUMENT
STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

The "Risk Factors" on the second page of the Disclosure Document are amended to also include the following:

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 FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

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

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

The franchise agreement requires application of the laws of Illinois. This provision may not be enforceable under California law.

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

The franchise agreement requires binding arbitration. The arbitration will occur at Dupage County, Illinois, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code

Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.tapvillesocial.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dbo.ca.gov.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.

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

3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgments—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 in connection with the franchisee.

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

NORTH CAROLINA ADDENDUM
TO THE DISCLOSURE DOCUMENT

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Statement required by North Carolina Law pursuant to N.C.G.S. §66-95(9):

"If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled."

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

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

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

State Effective Dates

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

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

State	**Effective Date**
California	N/A
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Maryland	Pending
Michigan	N/A
Minnesota	N/A
New York	N/A
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Washington	N/A
Wisconsin	N/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.

EXHIBIT I TO THE DISCLOSURE DOCUMENT
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 TAPVILLE FRANCHISING INC., offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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.

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.

If TAPVILLE FRANCHISING INC., does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise:

- Joseph Tota, 216 S. Washington Street, Naperville, Illinois 60540; 877.312.8277 .

Date of Issuance: March 29, 2024
Our Agents for Service of Process are listed in Exhibit A.

Commented [A1]: Dates

I have received a Franchise Disclosure Document dated March 29, 2024, including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS/STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
   Schedule 1-General Release
   Schedule 2-Nondisclosure and Non-Competition Agreement
   Schedule 3-Unlimited Guaranty and Assumption of Obligations
   Schedule 4-Franchisee Disclosure Questionnaire
   Schedule 5-Collateral Assignment of Lease
   Schedule 6-ACH Payment Agreement
   Schedule 7-Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors
   Schedule 8-State Addenda to the Franchise Agreement
   Schedule 9-SBA Addendum

C. FINANCIAL STATEMENTS

D. LIST OF CURRENT AND FORMER FRANCHISEES
E. OPERATIONS MANUAL TABLE OF CONTENTS
F. AREA DEVELOPMENT AGREEMENT
   Appendix A-Development Territory
   Appendix B-Development Schedule
   Appendix C-Unlimited Guaranty and Assumption of Obligations
   Appendix D-List of Principals
   Appendix E-State Addenda to the Area Development Agreement
G. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
H. STATE EFFECTIVE DATES
I. RECEIPTS

Please sign and print your name below, date, and return one copy of this receipt to TAPVILLE FRANCHISING INC., and keep the other for your records.

Date of Receipt	Print Name
	Signature (individually or as an officer, member, or partner of)
	a [STATE of Incorporation] [Corporation/LLC/Partnership]

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.

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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.

If TAPVILLE FRANCHISING INC., does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

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____________________	____________________
Date of Receipt	Print Name
	____________________
	Signature (individually or as an officer, member, or partner of)
	____________________
	a [STATE of Incorporation] [Corporation/LLC/Partnership]