March 22, 2013
via UPS Express

Virginia Polytechnic Institute and State University
109 New Hall West, Mail Code: 0428
Blacksburg, VA 24061
Attention: Ms. Christine Boling

Re: Pizza Hut Master License Agreement, Schedule 12-01 to the Pizza Hut Master License and side letter amendment

Dear Licensee:

Enclosed please find fully executed originals of each of the following documents:

1. Pizza Hut Master License Agreement by and between Pizza Hut, Inc. and Virginia Polytechnic Institute and State University; and,
2. Schedule 12-01 to the Pizza Hut Master License Agreement for the Licensed Location at Virginia Polytechnic Institute and State University, Owens Dining Hall, Hokie Grill, Blacksburg, Virginia.

If you have any questions concerning the enclosures please contact your Channel Manager, Stefanie Seminara, at (972) 338-8049 or me at (972) 338-7958.

Sincerely,

Connie Smith
Paralegal
YUM! Brands Express

Enclosures
MASTER LICENSE AGREEMENT

DATE: As of February 15, 2013

PARTIES: "PHI" - Pizza Hut, Inc.
7100 Corporate Drive
Plano, Texas 75024

"Licensee" - Virginia Polytechnic Institute and State University
109 New Hall West, Mail Code: 0428
Blacksburg, Virginia 24060

WHEREAS, PHI is the owner of a unique retail food business operated by it and its affiliates, and their franchisees and licensees throughout the United States and in many foreign countries under the name and mark "Pizza Hut"; and

WHEREAS, PHI and Licensee each desire that PHI authorize Licensee to use some of PHI's trademarks to sell from specified locations a limited variety of food products that Licensee has prepared pursuant to PHI's proprietary recipes, all as described in this Agreement and in the supplementary Schedules to this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Agreement, PHI and Licensee agree as follows:

1. Definitions. For purposes of this Agreement, the following terms have the respective meanings given:

1.1 Agreement. "Agreement" means this Master License Agreement, as amended from time to time, including (unless the context clearly requires otherwise) all Schedules.

1.2 Brand Umbrella. The "Brand Umbrella" is the area of the Licensed Location that is associated with the Licensed Concept in such a way that it appears to the average consumer to be related to the Marks. As an example, and without limiting the generality of this definition, the full area under a canopy bearing one of the Marks is within the Brand Umbrella.

1.3 Gross Sales. Except as otherwise provided in this Section, "Gross Sales" means (a) the total of all cash or other payments received (including by check, credit, charge account, or otherwise) for the sale of any item that is (i) merchandised (i.e., displayed for sale) under the Brand Umbrella, or
(ii) identified by one or more of the Marks; and (b) a proportionate amount of all cash or other payments received (including by check, credit, charge account, or otherwise) for beverages sold outside the Brand Umbrella but within the same facility as the Licensed Location. The proportion of beverage sales for which payment is due under clause (b), above, will equal the same percentage of total beverage sales from the entire Licensed Location as all Gross Sales (excluding beverage sales) bears to total food sales from the entire Licensed Location. Gross Sales does not include customer refunds, over rings, coupon discounts or discounts to Licensee's employees.

Gross Sales exclude only those taxes imposed directly on sales by governmental authorities when the amount of the tax is added to or absorbed in the selling price and is actually paid to the appropriate governmental authority.

If prices of Licensed Products sold at the Licensed Location are subsidized (as, for example, from payments by a third party employer), or are not priced separately from a "package" price for Licensed Products and other items, the parties will negotiate a proper measure of Gross Sales for the Licensed Products.

1.4 Includes. The verb "to include" (in all of its forms, tenses, and variations) is always used in the nonexclusive sense.

1.5 Licensed Concept. The "Licensed Concept" is the type of PHI-developed food service distribution outlet that PHI authorizes Licensee to operate at a particular Licensed Location. For each Licensed Location, a Schedule identifies the Licensed Concept applicable to that Licensed Location.

1.6 Licensed Location. "Licensed Location" means a specific site, designated in a Schedule, at which PHI authorizes Licensee to operate the Licensed Concept designated in that Schedule.

1.7 Licensed Products. "Licensed Products" are the only food items that Licensee may sell under the Brand Umbrella without PHI's prior written consent; all Licensed Products must be prepared and served in accordance with the Manual. All Licensed Products must be offered for sale at the Licensed Location. Initially, the Licensed Products are identified in the Schedule. The Licensed Products may also include other food items for which the Manual applicable to the Licensed Concept provides, from time to time, recipes or preparation instructions.

In furtherance of product testing, as a limited time offer, or for other business reason, PHI may also approve or designate additional food items to be offered from specific Licensed Locations or within specific distribution channels that may or may not encompass all Licensed Locations within a particular Licensed Concept ("Specially Licensed Products"). If PHI does designate or approve a food item as a Specially Licensed Product at a Licensed Location operated hereunder, such Specially Licensed Product shall constitute a Licensed Product.
at such Licensed Location until such time as PHI withdraws such designation or approval. PHI's designation or approval of a food item as a Specially Licensed Product shall be subject to the limitation on capital expenditures provided for in Section 5.4. If PHI designates or approves Licensee's offering of a Specially Licensed Product at one or more of Licensee's Licensed Locations, PHI may direct that part or all of Licensee's Marketing Fee (as defined in Section 7.5) be expended to promote the Specially Licensed Product.

1.8 Manual. The "Manual" is the set of documents (in one or more volumes), as published, supplemented, and revised (from time to time), and disseminated by PHI, containing policies, procedures, and instructions for operating each of the Licensed Concepts. The Manual includes such matters as recipes for Licensed Products and various standards for their preparation, sale, presentation, and marketing; design standards for facilities; instructions on use of the Marks; and general standards of operations.

1.9 Marks. "Marks" means all of the trademarks, trade names, dress, symbols, slogans, emblems, logos, insignia, designs, and any combination of them used from time to time by PHI and its licensees and franchisees in connection with the offer and sale of goods and services.

1.10 Pizza Hut Information. "Pizza Hut Information" means all of the trade secrets, knowledge, know-how, formulas, processes, recipes, ingredient charts, the Manual, equipment layout plans, designs, specifications, marketing strategies, and other confidential information shared by PHI with Licensee pursuant to this Agreement.

1.11 Schedule. "Schedule" means a document associated with this Agreement, pursuant to which PHI authorizes Licensee to operate a particular Licensed Concept at a particular Licensed Location, and in which any terms unique to the particular Licensed Concept or Licensed Location are contained. There may be more than one Schedule associated with this Agreement. Any inconsistency between this Agreement and the provisions in a Schedule will be controlled by the provisions of the Schedule with respect to the subject individual Licensed Location.

1.12 Term. With respect to each Licensed Location, "Term" means the period beginning on the date specified in the Schedule for that Licensed Location as the "Starting Date", and ending 5 years from that date, unless this Agreement or the applicable Schedule is terminated sooner as provided elsewhere in this Agreement or in the Schedule. PHI may agree to a longer Term, but in no event will the Term end more than 10 years from the Starting Date. Licensee has no right to renew this Agreement or any Schedule upon expiration of the Term.

1.13 Transfer of Interest. The phrase "Transfer of Interest" means any activity or event, or series of activities or events, whether voluntary,
involuntary, or by operation of law, that result (or foreseeably could result) in a change in the ultimate legal or beneficial ownership of Licensee, including conveyances of corporate stock and mergers.

2. Grant of Licenses. Subject to all of the terms and conditions of this Agreement, PHI grants to Licensee, during the Term, (a) a nonexclusive license to operate the Licensed Concept specified in an applicable Schedule, in accordance with the Manual, at the Licensed Location specified in the same Schedule, and (b) a nonexclusive license to use the Marks to promote the operation of the Licensed Concept at the Licensed Location. Licensee is not granted any exclusive territory or protected radius.

2.1 Scope of Licenses. The scope of the license extends only to the Licensed Concept specified in an applicable Schedule at the Licensed Location specified in the same Schedule. This license does not extend to any other location, product, concept, or distribution channel. Specifically, but without limiting the prior provisions of this Section 2.1, this Agreement does not allow Licensee to operate the Licensed Concept specified in any Schedule at any other location, nor does this Agreement allow Licensee to operate any of PHI's other concepts at the Licensed Location. PHI may operate, and franchise or license others to operate, any business or concept utilizing any trademarks, including the Marks, and selling any products or services, including the Licensed Products, at any other location.

2.2 Delivery. Unless otherwise provided in the Schedule, Licensee may, without exceeding the scope of this license, deliver Licensed Products (on a nonexclusive basis) to customers in the same property (but not to any other building(s), even if interconnected) as that in which a particular Licensed Location is situated. Licensee may not deliver any Licensed Products to any other locations.

2.3 Preferential Arrangements.

2.3.1 Licensed Locations. Licensee may not allow or permit the production, distribution, or sale of any ready-to-eat pizza product other than the Licensed Products from any Licensed Location.

2.3.2 Other Locations. Licensee may not allow or permit the production, distribution, or sale of any other restaurant-branded pizza products (except frozen pizza product sold in its frozen state) from any other location owned, operated or controlled by Licensee (or by affiliates of Licensee that Licensee controls), unless:

(a) Licensee (or its affiliate) applies for a license or Schedule from PHI to sell PHI's proprietary products at the location and PHI is unwilling or unable to grant such license or Schedule; or
(b) Licensee (or its affiliate) is operating at the location pursuant to a right granted by a third party, the third party has the right to control the products sold by Licensee (or its affiliate), and the third party requires that Licensee (or its affiliate) sell another restaurant-branded pizza product.

For purposes of this Section 2.3.2, "restaurant-branded pizza" is any pizza product identified with a company engaged in the operation or franchising of pizza outlets. "Restaurant-branded pizza" does not include pizza products identified solely by trademarks or trade names owned exclusively by Licensee for use only in its own operations.

3. Designation and Use of Marks. PHI will, from time to time, designate certain Marks as applicable to each Licensed Concept. A list of the word/logo Marks designated as applicable to a specified Licensed Concept or some or all of the Licensed Products on the date of a Schedule will be included as part of that Schedule. PHI may, from time to time, designate new Marks as applicable and may modify or delete existing Marks or may withdraw authority to use certain Marks. PHI will give Licensee written notice of the addition, modification, or deletion of Marks. Any additional or modified Marks designated as applicable will be subject to the terms of this Agreement. Licensee may use the Marks only where, when, and as approved by PHI. Licensee must cease use of any deleted Marks or any Marks no longer applicable within the time stated in the notice from PHI.

3.1. Use of Marks. The license granted to Licensee to use the designated Marks is applicable only to the offer and sale of Licensed Products prepared in accordance with the Manual from the Licensed Location. Licensee may only use the designated Marks strictly according to the terms and conditions of this Agreement. Licensee may not use, in any context associated in any way with the Licensed Concept, any trademarks, service marks, trade names, trade dress, symbols, slogans, emblems, logos, insignias, designs, or any combination thereof other than the designated Marks, without PHI’s prior written consent in each case.

Licensee may not offer or sell any Licensed Product(s) under or in connection with any trademark, service mark, trade name, trade dress (including product package design), symbol, emblem, logo, insignia, design, or any combination thereof other than the Marks, without PHI’s prior written consent in each case.

Licensee may not display any signage that contains the Marks which is visible from outside the Licensed Location without PHI’s prior written consent.

3.2 Ownership of Marks. Licensee acknowledges that PHI is the sole and exclusive owner of the Marks. Nothing contained in this Agreement may be construed to vest in Licensee any right, title, or interest in any of the Marks, other than the limited license granted by this Agreement. All goodwill now
or in the future associated with the Marks (including any goodwill arising out of Licensee's use of the Marks) belongs exclusively to PHI.

The licenses granted by this Agreement are nonexclusive. Except as expressly limited by the terms and conditions of this Agreement, PHI retains the right (in its sole and absolute discretion) to grant to any other person(s) the license, in addition to any license(s) previously granted, to use for any purpose all or any part of the Marks, including within the trade areas (if any) of the Licensed Location.

3.3 Nonimpairment. Licensee covenants never (whether during or after the Term) to misuse the Marks, to use the Marks in an unauthorized manner, or to take any other actions whatever that may impair PHI's ownership of and goodwill in the Marks. Licensee may not interfere in any manner with the use of the Marks by PHI or by any other licensee or any franchisee of PHI. Without limiting the foregoing, Licensee may not directly or indirectly object to, attack, or contest PHI's ownership of any or all of the Marks in connection with any service or product whatever, nor may Licensee assist others to do so.

Licensee must exercise caution in its use of the Marks to ensure that the Marks (and the goodwill associated with them) are not jeopardized in any manner. Without limiting the foregoing, Licensee may not use the Marks in any manner or in connection with any statement or material that may (in PHI's good faith judgment) be in bad taste or inconsistent with PHI's public image, or tend to involve PHI in a matter of political or public controversy, or tend to bring disparagement, ridicule, or scorn upon PHI, the Marks, or the goodwill associated with the Marks.

Licensee may not conduct any business operations, nor market any products (other than Licensed Products sold by Licensee in accordance with this Agreement or another license agreement from PHI), under any name or mark that, in PHI's reasonable opinion, is confusingly similar to one or more of the Marks, or to any portion of one or more of the Marks.

The provisions of this Section 3.3 survive the termination or non-renewal of this Agreement.

3.4 Protection of Marks. Licensee must promptly notify PHI of any challenge to Licensee's use of the Marks. In addition, Licensee must provide PHI with copies of any such challenge (if written) and provide PHI with any information known to Licensee concerning the challenging party. Licensee must promptly notify PHI, in writing, of any known or suspected infringement of the Marks by a third party, and supply PHI with any information known to Licensee concerning the suspected infringement and the suspected infringing party. Licensee may not take any action with respect to any such challenge, or any such known or suspected infringements, absent PHI's prior written approval (which PHI may grant or withhold in its sole discretion).
PHI has sole discretion over issues involving the defense or protection of the Marks. PHI will use reasonable efforts to protect the Marks, including, in its discretion, instituting and prosecuting judicial or administrative proceedings. If an infringement claim is asserted against Licensee arising from Licensee's use of the Marks, and if Licensee's use of the Marks giving rise to the claim is in accordance with the use authorized by PHI, Licensee will immediately tender the defense of the claim to PHI and PHI will defend or settle the claim at PHI's sole cost and expense. Whenever so requested by PHI, Licensee will cooperate reasonably in PHI's efforts to protect the Marks.

4. Duties of PHI. Except as expressly provided in this Agreement, PHI is not obligated under this Agreement to Licensee (that is, this Agreement may not be read as implying obligations on PHI that are not expressly stated).

4.1 Training Programs. PHI will offer a training program for the person(s) who will manage the Licensed Concept for Licensee at the Pizza Hut Express Training Center in Plano, Texas, and for any employee(s) of Licensee that Licensee is considering designating as a "Pizza Hut Champion" (as defined in Section 6.6 below). These training program classes will be conducted from time to time by PHI at the PHI Training Center located in Plano, Texas at times selected by PHI. The training program, which may include more than one segment, will be structured to provide practical training in the operation of the Licensed Concept and the preparation of Licensed Products. PHI will not be required to provide general training in restaurant operations. The training program content will be in the sole control of PHI.

PHI will bear its own costs in providing the initial training program for Licensees' first two "Pizza Hut Champions" at the PHI Training Center in Plano relating to each new Licensed Location except that Licensee will pay the travel costs and expenses of its employees. Any training costs for additional "Pizza Hut Champions" will be at the Licensee's expense. If PHI conducts on-site training or retraining of Licensee's employees at an existing Licensed Location, Licensee must pay the travel, meal, and accommodation costs of PHI's employees relating to the training or retraining. In addition, Licensee must pay all traveling, living, compensation, and other expenses incurred by its employees in connection with attendance at the training programs (whether conducted on-site or at a central training facility).

4.2 Marketing Programs. PHI may, from time to time, provide various channel-specific marketing ideas to Licensee, designed specifically to enhance Licensee's business pursuant to this Agreement.

4.3 Additional Assistance. PHI will make available to Licensee, from time to time, additional advice and assistance on performance of this Agreement as Licensee may reasonably request. PHI may, in its sole discretion, establish fees for various services made available pursuant to this Section 4.3;
Licensee must pay to PHI all such fees within 30 days of date of invoice for such services provided at Licensee's request.

5. **Manual.** For each Licensed Location, PHI will loan to Licensee, at no charge, one complete copy of the portions of the Manual applicable to the Licensed Concept to be operated at that Licensed Location. Within reason, Licensee may borrow from PHI further copies of the Manual, upon payment of the reasonable fee set by PHI (from time to time) in its sole discretion.

5.1 **Ownership of Manual.** The Manual and all copies of the Manual will remain the exclusive property of PHI. Licensee may not copy, and must use its best efforts to keep all persons, including its affiliates and their respective employees, from copying, any portion of the Manual. Licensee must return to PHI, upon the expiration or earlier termination of this Agreement, all Manuals loaned to Licensee.

5.2 **Updates.** PHI may, from time to time, update or modify the Manual by providing substitute pages or volumes to Licensee, or by informing Licensee of changes or corrections to make to existing pages. Licensee must follow any and all instructions from PHI concerning the changes. Updates or modifications to the Manual will be charged to Licensee.

5.3 **Interpretation of Standards.** PHI has sole discretion in interpreting the standards set forth in the Manual.

5.4 **Promulgation of Standards.** In the Manual, PHI will promulgate standards relating to the Licensed Concept. The standards may include quality, cleanliness, appearance, service, food, brands, signage, supplies, fixtures, and equipment to be used in connection with the Licensed Concept. PHI will also promulgate standards of usage for the Marks. PHI may, from time to time, add, delete, or change standards. At all times throughout the Term, Licensee must comply with all then-current standards pertaining to the Licensed Concept, the Licensed Products, and the Marks.

At the time PHI promulgates a new standard, PHI will simultaneously set forth a last date to implement the new standard. The last date, which will be uniform as to all similar products and concepts (regardless of the operator), will be at least 30 days after PHI promulgates the new standard. Unless required to ensure food safety, PHI will not mandate a new standard that involves capital expenditures in excess of $10,000 per Licensed Location more often than once during the Term.

5.5 **Product Quality.** The Licensed Products sold by Licensee must comply with this Agreement and with the instructions and recipes contained in the Manual.
6. **Duties of Licensee.**

6.1 **Inspections.** Licensee grants to PHI’s authorized representatives the right to enter upon the premises relating to operation of the Licensed Concept (including the right to pass over/through the remainder of the Licensed Location) at any time during normal business hours for the purpose of determining whether the portions of the business directly related to the Marks are being conducted in accordance with PHI’s standards and the terms of this Agreement. PHI’s representatives will comply, during these inspections, with the non-discriminatory security rules (if any) applicable to the Licensed Location. Furthermore, PHI will use reasonable care, in the course of all inspections, not to disrupt Licensee’s operations (and, if applicable, the operations of Licensee’s host/client/landlord).

If any inspection indicates any deficiency, Licensee must, within 2 business days after Licensee’s receipt of a written report, correct or repair the deficiency or unsatisfactory condition; but if the deficiency or unsatisfactory condition is one that cannot be corrected or repaired within 2 business days, Licensee will not be in default if Licensee begins (within the 2-business day period), and diligently pursues to completion, the necessary corrections or repairs. In addition, if the deficiency or unsatisfactory condition (in the reasonable opinion of PHI’s authorized representative) constitutes an imminent danger to public health, or poses a risk of significant and immediate damage to the value of the Marks, Licensee will immediately cease sale of Licensed Products until PHI’s authorized representative agrees that the deficiency or unsatisfactory condition has been corrected. Licensee’s failure to comply with the foregoing obligations to correct and repair constitutes a material default under this Agreement.

6.2 **Employees.** Licensee must require all employees, while working in connection with the Licensed Concept, to present a neat and clean appearance. Uniforms worn by Licensee’s employees while working in connection with the Licensed Concept must be consistent with PHI’s image.

6.3 **No Unprepared Products.** Licensee may not sell or distribute any Licensed Product, any other products prepared substantially in accordance with the Manual, or any ingredient thereof, except as a complete and fully prepared food product ready for immediate consumption.

6.4 **Use of Licensed Location.** Except with PHI’s prior written consent, Licensee may not take any action that would lead consumers to believe that items other than Licensed Products are identified by or with the Marks or that items other than Licensed Products are endorsed by, or produced in accordance with recipes and instructions of, PHI.

6.5 **Use of Products.** Licensee may not use the products and/or ingredients used in the Licensed Products to prepare any other products that are not Licensed Products.
6.6 **Pizza Hut Champion.** Licensee must designate two individuals as the “Pizza Hut Champions” for each Licensed Location (the same individual can be designated as the Pizza Hut Champion for more than one location). The Pizza Hut Champions will be responsible for on-going training of unit-level employees, ensuring the quality of the operations execution at the Licensed Location, and generally ensuring that the Licensed Location is operated in accordance with this Agreement and the Manual. As part of these responsibilities, the Pizza Hut Champion must visit each location on a regular basis (at least once every week).

Before designation, the Pizza Hut Champions must successfully complete the training program offered by PHI pursuant to Section 4.1, and must be certified by PHI as capable of functioning as a Pizza Hut Champion (as the training program offered by PHI pursuant to Section 4.1 does not include training on general restaurant operations, the Pizza Hut Champions must independently acquire these skills). If, for any reason, there ceases to be two Pizza Hut Champions for any Licensed Location, Licensee must designate a new Pizza Hut Champion (after training, if necessary) within 60 days. The expense of training will be allocated as set forth in Section 4.1. If Licensee does not designate a new Pizza Hut Champion within that 60-day period, Licensee must cease selling Licensed Products at the Licensed Location until Licensee designates the new Pizza Hut Champion.

6.7 **Unit Supervision.** At all times that the Licensed Location is preparing or selling Licensed Products, there must be two on-site persons who have been certified by PHI as having been trained (by PHI or by the designated Pizza Hut Champion) in the fundamentals of operating the Licensed Concept (including such issues as proper production and retention of Licensed Products, quality control, and unit operation).

6.8 **Design Service Fees.** Licensee must use PHI architectural and design services and must pay to PHI a design service fee of up to $2,000 for Licensee's first Licensed Location with one concept and $3,000 for two or more concepts for the Licensed Location. An additional fee of up to $1,000 will be applied if a dining area is included. In consideration of the design service fee, PHI will provide one set of site specific schematic plans for the Licensed Location, including an equipment plan, equipment schedule, and interior elevation. Licensee may elect, at its sole option, to request prototype specifications and equipment cut sheets for the applicable Licensed Concept, provided by PHI at no cost to Licensee (for subsequent locations).

7. **Advertising.** To protect PHI’s Marks (and the associated goodwill) more fully, PHI reserves the right to approve the content of all advertising and marketing materials that contain any of the Marks, or that refer to any Licensed Products. Furthermore, as the Licensed Concept is primarily intended to serve the needs of a “captive” audience, PHI reserves the right to approve the placement of all advertising materials that refer to the Licensed Concept or the
Licensed Products, or that contain any of the Marks, and reserves the right to prohibit all off-site advertising.

7.1 Approval of Advertising Content. All materials directly or indirectly advertising Licensed Products, including advertisements of beverages or other ancillary items available for purchase in conjunction with Licensed Products, must be submitted to PHI and approved by PHI in writing. Until PHI notifies Licensee in writing that the content of a proposed advertisement is approved, the submitted item is considered unapproved and may not be used by Licensee. Upon written notice from PHI, Licensee must immediately discontinue use of any unapproved advertising materials.

7.2 Advertising. PHI may use a portion of the license fees paid to PHI pursuant to Section 9.1 below, to develop and administer advertising, promotional, and marketing programs designed to promote and enhance the collective success of Pizza Hut products and services. PHI need not expend the funds in the same year (or other period) as those payments are received, and PHI need not prove that Licensee received any benefit from Licensee's payments. PHI's good faith decisions on expenditures of advertising funds are final and binding.

7.3 Co-operative Advertising. PHI recognizes certain co-operative advertising associations ("Co-ops") for various restaurants and other units operated by its subsidiaries and franchisees. Licensee will not be a member of any Co-op, and will not make a monthly contribution to any Co-op, relating to operation of the Licensed Concept at the Licensed Location.

7.4 No Waiver. PHI's approval of the contents or placement of an advertisement in one context or at one location will not constitute a waiver of PHI's right to reject the same advertisement or the same placement in another context or at another location. In particular, PHI may withdraw its consent to the contents or placement of a particular advertisement after a period of time has passed, if PHI believes that the circumstances existing at the time of the original approval have changed.

7.5 Marketing Materials. Licensee must pay to PHI each year an amount as determined by PHI, between $1,000 - $2,000 per Licensed Location (the "Marketing Fee"), to pay for PHI Marketing Materials. The Marketing Fee is fully earned when paid, and is not refundable to Licensee, in whole or in part, under any circumstances. The Marketing Fee will be uniform within the same type or subtype of Licensed Concept. The first Marketing Fee will be paid prior to the opening of each Licensed Location and thereafter, PHI will bill Licensee annually. Upon receipt of the Marketing Fee PHI will ship to Licensee the PHI Marketing Materials designed for Licensee's Schedule. Additional copies of the Marketing Materials may be purchased, at Licensee's option, at an additional cost. PHI may require Licensee to update Marketing Materials (including signage) periodically. PHI may offer Licensee a credit
against the Marketing Fee for specific expenditures, or may use Licensee's yearly marketing fee to pre-purchase updated Marketing Materials on Licensee's behalf, or may otherwise direct that Licensee's Marketing Fee be used to purchase specific Marketing Materials.

8. Use of Approved Supplies and Approved Distributors. PHI will, from time to time, publish one or more listings of approved equipment, fixtures, signage, supplies, and distributors. PHI may add to or delete from the listings at any time. Licensee may lease, purchase, and use only approved equipment and supplies in connection with Licensee's operations under this Agreement, and may obtain the approved equipment and supplies only from approved distributors. Licensee may not use any approved equipment or proprietary supplies to manufacture or prepare any products other than Licensed products. If Licensee desires to purchase or use any equipment or supplies that are not then approved, or to purchase any approved items from or through an unapproved distributor, Licensee must submit to PHI a written request for approval. PHI has the right to inspect the facilities of the manufacturer, producer, or distributor, and to require Licensee to submit samples, specifications, and other information concerning any equipment or supplies for which approval is sought. PHI reserves the right, at its option, to reinspect the facilities and to retest the products of any approved manufacturer, producer, or distributor from time to time, and to revoke PHI's approval upon failure to continue to meet any of PHI's criteria as then in effect. All costs associated with inspection and reinspe ction of manufacturers, producers, or distributors proposed by Licensee, and all costs of testing and retesting samples of their products (including salaries of PHI employees, travel costs, and laboratory charges) are to be borne by Licensee (unless Licensee arranges for the proposed manufacturer, producer, or distributor to reimburse PHI directly). Nothing in this Section requires PHI to approve any particular manufacturer, producer, or distributor.

8.1 Trade Secret Items. Licensee acknowledges that PHI's spice blend is a highly confidential secret recipe and is a trade secret of PHI. Because of the importance of quality and uniformity of product, and the significance of the spice blend in the preparation of Licensed Products to achieve and maintain that quality and uniformity, it is to the mutual benefit of the parties that PHI closely controls the production and distribution of the spice blend. Similar considerations may also apply to other trade secret or patented items that PHI may develop in the future. Accordingly, Licensee may use only PHI's secret spice blend in the preparation of Licensed Products and may buy only from PHI, or a source designated by PHI, Licensee's full requirements of PHI's spice blends as well as any other trade secret or patented items that PHI may develop in the future.

8.2 Beverages and Other Products. Under the Brand Umbrella, Licensee may sell only Licensed Products and non-alcoholic beverages such as milk, coffee, tea, juice, bottled water, and carbonated soft beverages. At PHI's option, PHI may set standards for these beverages, and may publish listings of
approved suppliers. If Licensee elects to sell carbonated soft beverages under the Brand Umbrella, Licensee may not display under the Brand Umbrella the brand of any carbonated soft beverage (even if that brand is contained on or referenced within the approved brands list) except with PHI's prior written consent. Licensee may sell other products under the Brand Umbrella only with PHI's prior written consent.

9. **License Fees.**

9.1 **License Fees.** Licensee must report and pay PHI the license fees specified by the Schedule applicable to a particular Licensed Concept and Licensed Location solely for the right from Licensor to use its Marks. Each monthly report and monthly license fee payment are due on or before the 10th day of each month (or Licensee can use PHI's period calendar) for sales during the preceding month. All payments are fully earned when due, and are not refundable to Licensee, in whole or in part, under any circumstances.

PHI may require Licensee to participate in a program whereby Licensee's account is automatically debited for the payment of fees due under this Agreement.

9.2 **Late Payments.** If any payment under this Agreement is more than 15 days overdue, then Licensee must pay a finance charge on all amounts due of 1.5% per month (or, if lower, the maximum rate permitted by law), retroactively to the date due and continuing until paid in full. Payments will be applied first to the amounts longest over due.

9.3 **Taxes.** In addition to the other payments required by this Agreement, Licensee will reimburse PHI for all sales taxes, personal property taxes, excise taxes, value added taxes, and similar taxes (excluding, however, any income taxes or similar taxes imposed on PHI's net income) imposed upon or required to be collected or paid by PHI on account of collection by PHI of the license fees or other payments to PHI called for by this Agreement. Licensee will pay these taxes upon demand and in the manner designated by PHI.

9.4 **Accounting Periods.** For purposes of this Section 9, any time that this Agreement calls for Licensee to take an action “monthly”, Licensee may instead use regular accounting periods that are no longer than 35 days long. For example, Licensee may use 13 accounting periods of 4 weeks each (a “52/53 week fiscal year”) or may use 12 accounting periods arranged so that there are two 4-week and one 5-week accounting period each fiscal quarter. If Licensee chooses to use one of these methods of accounting, Licensee will notify PHI of the method chosen and the fiscal year–end used, and may not switch accounting years without consent from PHI.

10. **Maintenance of Books and Records.** Licensee must keep on the premises of the Licensed Location or at Licensee's principal place of business,
and must preserve for at least 3 years after the date of their preparation (regardless of any intervening expiration or termination of this Agreement), accurate records, ledgers, accounts, books, and data reflecting product costs for the Licensed Concept and Gross Sales from the Licensed Location. If Licensee's monthly license fees at any Licensed Location are determined as a percentage of Licensee's Gross Sales, Licensee must submit to PHI with its payment of the monthly license fees for that Licensed Location, a monthly statement (in the form of Exhibit A) of Gross Sales. PHI reserves the right to require such further information relating to Licensee's business under this Agreement (including food and labor costs) as PHI may from time to time reasonably prescribe.

10.1 Inspection and Audit. At all reasonable times, PHI and its agents or representatives, may examine and audit all records relating to Licensee's operations under this Agreement. Licensee must cooperate with any such examination or audit by gathering records, accounts, and books for easy access, and by providing other assistance PHI reasonably requests.

10.2 Limited Access Locations. If the Licensed Location is one to which access is restricted by governmental authority or a need for strict confidentiality of Licensee's client at the Licensed Location, then Licensee must use commercially reasonable efforts to obtain access by representatives of PHI to the Licensed Location for purposes of operational inspections and financial audits. In the event access for PHI is not reasonably available, then Licensee will use other reasonable means and otherwise cooperate with PHI to assure PHI that Licensee is in full compliance with this Agreement at the Licensed Location.

10.3 Reporting Errors. If any inspection or audit discloses that any report (including statements of Gross Sales) delivered to PHI by Licensee is in error, Licensee must, within 10 business days after notice from PHI, pay to PHI any deficiency found to be owing, plus a finance charge at the rate of 1.5% per month, (or, if lower, the maximum rate permitted by law), accruing from the date payment was first due. If the deficiency is 5% or more of the amount due, then in addition, Licensee must reimburse PHI for the reasonable cost and expense of the inspection or audit upon billing by PHI.

10.4 Product Purchase Data. Licensee authorizes all of its suppliers (including McLane Foodservice, Inc.) to provide data to PHI concerning purchases by Licensee with respect to each of the ingredients used in the preparation of Licensed Products sold from the Licensed Location.

11. Covenants Concerning Confidentiality.

11.1 Disclosure. In performance of this Agreement, each party has disclosed and will disclose to the other party and its employees certain confidential information, including the Pizza Hut Information and Licensee's sales information.
11.2 **Obligations and Restrictions.** Except as expressly provided otherwise elsewhere in this Agreement:

a. Each party may use the other party's confidential information only for purposes of performing its obligations and enforcing its rights under this Agreement, and not for any other purpose, including for its own account.

b. Neither party may disclose any portion of the other party's confidential information to anyone (including its employees and the employees of its divisions, subsidiaries, and affiliates) that does not have a need to know the portion disclosed for purposes of this Agreement. Each party must inform any person to whom it discloses any of the other party's confidential information of the obligations of confidentiality and the restrictions on use contained in this Agreement.

c. Neither party may attempt to evade its obligations under this Agreement by selecting a series of items of knowledge from unconnected sources and fitting them together (through knowledge of the other party's confidential information) to justify use of information substantially duplicating the other party's confidential information for its own or any other person's account or purposes.

d. Each party must take all reasonable measures to enforce the obligations of confidentiality and use contained in this Agreement with respect to any of its employees or former employees who, while in its employ, had access to any part of the other party's confidential information.

e. Immediately after termination of this Agreement (unless a continuing agreement is in effect), each party must return to the other party the originals and all copies of all documents containing any of the other party's confidential information and not then used in connection with a License Agreement then still in effect.

11.3 **Exceptions and Exclusions.** The limitations and restrictions contained in Section 11.2 do not apply to any party's confidential information:

a. that was previously known by the other party without limitations of confidentiality or restrictions on use; or

b. that is in, or that comes into, the public domain without the fault of the other party.

11.4 **Employee Agreements.** To protect the Pizza Hut Information more fully, and in implementation of Paragraph b. of Section 11.2, Licensee must require all employees who are exposed to the Pizza Hut Information to agree (in writing) to maintain the confidentiality of the Pizza Hut Information. This requirement may be met, for example, by an affirmation by the employee
(contained in the form of Licensee's employment application) that the employee will maintain the confidentiality of all confidential information to which he or she is exposed in the course of employment with the Licensee.

11.5 Sales and Cost Data. Notwithstanding any other provisions of this Section 11, PHI may: (a) disclose Licensee's sales and cost information as part of general disclosures to regulators, potential licensees, and other third parties, provided that the information is combined with other data from similar licensees or is otherwise done in a fashion that protects the integrity of Licensee's confidential information (as, for example, by disclosure without identifying Licensee's identity or the location of any Licensed Location); (b) disclose Licensee's sales data as necessary to enforce PHI's rights under this Agreement; and (c) retain, after termination of this Agreement, the originals of, as well as data derived from, Licensee's sales reports.

12. Assignments and Transfers

12.1 Transfer of Agreement. Under no circumstances may Licensee transfer or assign a Schedule or any interest in a Schedule independent of the entirety of this Agreement without the prior written consent of PHI. In addition, Licensee may not transfer or assign any interest in this Agreement without the prior written consent of PHI. In each such case, PHI may withhold its consent in its sole discretion, or may condition its consent upon payment of a fee (in an amount determined by PHI from time to time) and the assignee's agreement to assume all obligations imposed by this Agreement or the relevant Schedule. Licensee may not, under any circumstance, grant a security interest in or other encumbrance on this Agreement or any Schedule. Licensee may not, under any circumstances, sublicense the Licensed Concept to another person or enter into a management agreement with another person whereby Licensee delegates any of its obligations hereunder.

12.2 Transfers of Interest in Licensee. If Licensee is a corporation, or any other type of legal entity other than an individual, Licensee will give PHI written notice of any transfer of interest totaling 25% or more of the ultimate beneficial ownership of Licensee. Such notice shall reasonably identify the transferees and must be delivered to PHI within 30 days after the effective date of the transfer of interest.

No such Licensee will allow any transfer of interest totaling 25% or more of the ultimate beneficial ownership of Licensee to a competitor of PHI, to any person or entity whose image is inconsistent with PHI's image as a family restaurant, or to any person or entity who is incapable of properly operating the Licensed Concept. Any such transfer will result in a default and trigger PHI's termination rights under Section 15.2.

For purposes of this Section 12.2, a "competitor of PHI" is defined as any entity that directly or through subsidiary or affiliated entities conducts a
business that is primarily engaged in the operation or franchising of restaurants or delivery units that primarily feature pizza, Mexican-style food, fried chicken, hamburgers or seafood.

12.3 Transfer of Assets. Prior to a transfer by Licensee of any of the fixtures, equipment, smallwares, or other personal property used in connection with Licensee's operations pursuant to this Agreement, Licensee must remove from any such assets any of the Marks that appear thereon. Licensee may not transfer any equipment or smallwares that incorporate PHI's proprietary designs or information, or any supplies, inventory, ingredients, or packaging, to anyone other than PHI without the prior, written consent of PHI.

13. Indemnification and Insurance. Licensee will maintain throughout the Term, at its own expense, comprehensive general liability insurance (including products liability and completed operations coverage), or shall self-insure against the same risks, and in either event, shall name PHI as an additional insured, or if Licensee is self insured, shall afford PHI the same protection as if it was named as an additional insured. Licensee must, in addition, indemnify PHI, its affiliates, and their respective employees, officers, directors, agents and shareholders against all losses and expenses (including reasonable attorney fees) incurred by any of them owing to claims that arise directly or indirectly from Licensee's operations under this Agreement or Licensee's breach of this Agreement.

In addition to defending trademark infringement claims as provided for in Section 3.4, PHI will indemnify Licensee, its affiliates, and their respective employees, officers, directors, agents and shareholders against all losses and expenses (including reasonable attorney fees) incurred by any of them owing to claims that arise directly or indirectly from PHI's gross negligence or breach of this Agreement.

This Section 13 will survive termination or expiration of this Agreement.

14. Requests for Waivers or Consents. Whenever Licensee desires PHI's waiver of any requirement of this Agreement, and whenever this Agreement requires Licensee to obtain PHI's prior written consent, Licensee should address its written request for that waiver or consent to PHI's Concepts Licensing Department or to any other person or department specified by this Agreement or designated by PHI in writing. PHI will consider each request and advise Licensee in writing of PHI's decision within 45 days after receipt of the request. PHI's failure to advise Licensee on a timely basis that a request is granted constitutes a denial of the request.

15. Default and Termination.

15.1 Default by Licensee. If Licensee does not comply promptly with any term or condition of this Agreement at or with respect to any Licensed
Location, Licensee will be in default under this Agreement. In addition to all other remedies PHI may have at law or in equity, PHI may (at its option but subject to the notice and cure provisions described below and the terms of this Agreement): (a) terminate the applicable Schedule and the Licensee’s right to operate the specified Licensed Concept at the specified Licensed Location, if the default under the Schedule is material, or (b) terminate this Agreement as a whole if Licensee’s default is material and relates to 20% or more of the Schedules issued to Licensee pursuant to this Agreement.

PHI may not terminate any Schedule or this Agreement as a whole unless PHI gives Licensee prior written notice of and (except as provided below) an opportunity to cure the default. Licensee will have 10 business days after the effective date of notice from PHI to cure any default in payment to PHI or its affiliates and 30 days to cure any other type of default, except that Licensee will have no opportunity to cure the default if 2 or more times in the 12 months, or 3 or more times in the 24 months, immediately preceding the effective date of notice of the current default, PHI had given Licensee notice of other defaults (even though cured) under any Schedule(s) issued pursuant to this Agreement. In addition, before a default that has been noticed in writing is considered cured, Licensee must pay to PHI a cure fee of $1000 in order to partially defray the cost and compensate the inconvenience of PHI in detecting the breach and enforcing its rights (but not in lieu of the right to pursue any other remedy available). Notwithstanding these notice provisions, if applicable law requires a longer cure period, Licensee will have the longer cure period required by law.

15.2 Termination. Notwithstanding Section 15.1, PHI may, at its option, terminate this Agreement as a whole on written notice to Licensee (without right to cure), if any of the following events occur:

a. a transfer or assignment of any interest in this Agreement or in any Schedule that is not in accordance with the provisions of Section 12.1;

b. any transfer of interest in Licensee that is not in accordance with the provisions of Section 12.2;

c. Licensee discloses the contents of the Manuals or any other of PHI’s trade secrets or proprietary or confidential information;

d. Licensee knowingly maintains false books or records, or knowingly submits false reports to PHI, or knowingly misrepresents any material fact in its application for this license;

e. Licensee conducts its business hereunder in such a way as to constitute an imminent danger to the public health or poses a risk of significant and immediate damage to the value of the Marks; or
f. Licensee fails to operate the Licensed Location for three (3) or more consecutive days without PHI's prior consent, which will not be unreasonably withheld if the Licensed Location is closed by reason of casualty or remodeling.

The expiration or earlier termination of this Agreement shall not discharge or release either party from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement.

15.3 Voluntary Termination by Licensee. In addition to its other rights, Licensee may terminate any Schedule issued pursuant to this Agreement at any time under the following conditions: (a) if Licensee is operating at the Licensed Location specified in the Schedule pursuant to a right granted by a third party, and (1) Licensee's contract or lease allowing Licensee to operate at the Licensed Location is terminated or cancelled, or expired without renewal, or (2) the third party has a right to control the products sold by Licensee and requires Licensee to remove the Licensed Concept from Licensee's foodservice operation at the Licensed Location or (b) if Licensee pays PHI an early termination fee in the amount as set forth below.

If the voluntary termination occurs within 24 months after the first date of the current term, the termination fee will be $15,000. If the voluntary termination occurs more than 24 months after the first date of the current term, the termination fee will be $10,000.

15.4 Absence of Schedules. If all of the Schedules issued by PHI to Licensee in accordance with this Agreement have expired or been terminated, either party may terminate this Agreement on written notice to the other.

15.5 Opening of First Location. If Licensee has not executed a Schedule for the first Licensed Location and opened for business the first Licensed Location within one (1) year from the date of execution of this Agreement, then this Agreement will terminate without further notice.


16.1 Use of Marks, Pizza Hut Information and Equipment. Upon expiration or termination of any Schedule issued pursuant to this Agreement, Licensee must immediately discontinue use of the Marks and of all Pizza Hut Information at the Licensed Location specified in that Schedule. In addition, Licensee must immediately take all further steps that PHI directs to effectively distinguish the specified Licensed Location from PHI's proprietary design(s) and trade dress. Because of the likelihood of confusion as to source, Licensee covenants not to sell after termination any non-frozen pizza products from the Licensed Location until the decor and configuration of the Licensed Location has
been sufficiently modified so as not (in PHI's reasonable opinion) to cause customer confusion.

Furthermore, upon such expiration or earlier termination, Licensee must destroy or offer for sale to PHI each piece of equipment used in the operation of the Licensed Concept at theLicensed Location that PHI deems proprietary. PHI will, upon request from Licensee, notify Licensee of the pieces of equipment PHI deems proprietary. If PHI elects to purchase the equipment, the price to PHI for each piece of equipment will be the lower of fair market value or Licensee’s depreciated net book value at the time of sale to PHI.

If Licensee does not make all required changes and destroy or offer to sell the proprietary equipment to PHI within 7 days after written notice, then PHI may (in addition to its other remedies) enter upon the premises of the Licensed Location and make or cause to be made all necessary change, and take possession of the proprietary equipment, at the expense of Licensee. In exercising its rights pursuant to this provision, PHI will comply with the non-discriminatory security rules (if any) applicable to the Licensed Location.

16.2 Return of Manual. Upon termination or expiration of any Schedule issued pursuant to this Agreement, Licensee must immediately return to PHI all originals and copies of the Manual loaned to or made by Licensee with respect to the Licensed Concept and Licensed Location specified in the Schedule.

16.3 Cessation of Rights and Duties. Licensee’s obligation to pay accrued monetary obligations, and all other provisions of this Agreement providing for survival after termination of this Agreement will survive termination of each Schedule issued pursuant to this Agreement and of this Agreement as a whole. All other rights and duties of both parties will cease upon expiration or earlier termination of this Agreement as a whole.

16.4 Spice Blends. Upon expiration or earlier termination of this Agreement as a whole, Licensee must destroy or offer for sale to PHI all quantities of the secret spices and other trade secret items that Licensee may have in stock on the date of expiration or earlier termination of this Agreement as a whole.
17. **Dispute Resolution.**

17.1 **Jurisdiction and Governing Law.** This Agreement takes effect upon its acceptance and execution by PHI, and is to be governed by and construed in accordance with the internal laws of the State of Texas. Licensee consents to the jurisdiction and venue of any state or federal court of general jurisdiction in Collin County, Texas, and agrees that it will not institute litigation with respect to any dispute arising out of this Agreement or the relationship between the parties except in those courts. Delivery by any lawful means of written process to a party’s respective address as specified in, and pursuant to the requirements of Section 18.5, constitutes lawful and valid process for purposes of this Agreement.

17.2 **Attorneys’ Fees.** If PHI and Licensee become involved in litigation, the losing party will reimburse the prevailing party’s outside attorneys’ fees and expenses to the extent those fees and expenses are reasonable.

18. **Miscellaneous.**

18.1 **Relation of Parties.** Licensee represents and warrants to PHI that Licensee has in good faith determined that its sales contemplated by this Agreement of Licensed Products will not constitute more than 20% of its business (either at a specific Licensed Location or as a whole) in the foreseeable future. PHI and Licensee are not and may not be considered as franchisor/franchisee, joint venturer, partners, or agents of each other. Neither Licensee nor PHI has the power to bind or obligate the other except as set forth in this Agreement.

Licensee specifically acknowledges that the relationship created by this Agreement is not a fiduciary or any other similar or special relationship, but solely an arm's-length business relationship.

18.2 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, is an original, but all counterparts together constitute one and the same instrument. Delivery of a signed and executed copy of this Agreement by facsimile, e-mail or other electronic method of transmission shall be equally effective as delivery of an original executed counterpart. Any party delivering a signed and executed copy by facsimile, e-mail or other electronic method of transmission also shall deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Agreement.
18.3 No Third-Party Beneficiaries. Nothing in this Agreement confers any rights or remedies on any person or legal entity not a party to this Agreement.

18.4 Severability. The portions of this Agreement relating to the payment of fees to PHI, and the portions relating to the protection and preservation of the Marks and the Pizza Hut Information are critical to this Agreement. If any portion of this Agreement relating to those matters is declared invalid or unenforceable for any reason, PHI may terminate this Agreement immediately, on written notice to Licensee.

All other terms and conditions of this Agreement, and every portion of those other terms and conditions, are severable. If, for any reason, any portion of this Agreement (other than the nonseverable portions, as defined in the first paragraph of this Section 18.4) is determined to be invalid or contrary to or in conflict with any applicable present or future law, rule, or regulation, in a final, unappealable ruling issued by any court, agency, or tribunal with valid jurisdiction in a proceeding to which PHI is a party, that ruling does not impair the operation of, or have any other effect upon, any other portion of this Agreement, each of which remains binding upon the parties and should continue to be given full effect. Any invalid portion is deemed removed from this Agreement as of the date upon which the ruling becomes final, and is to be replaced by the closest enforceable provision.

18.5 Notices. All notices required or permitted by the terms of this Agreement must be in writing and sent (a) by facsimile (or telexcopier) machine immediately confirmed by first-class mail, (b) by certified or registered mail (return receipt requested), (c) by reputable private delivery service, or (d) by hand delivery. All notices must be sent to the respective addresses on the first page of this Agreement, if to PHI, marked, except as otherwise required by this Agreement, "Attention: Concepts Licensing Department", and if to Licensee, marked, "Attention: " until PHI or Licensee (as the case may be) gives notice, in writing, of a new address. Neither PHI nor Licensee need send multiple notices; a single notice to the specified address is sufficient, and if multiple addresses are specified by either party, the sending party may send notices to any single address chosen in good faith. Notices are effective on the day delivery is made (or, in the case of certified/registered mail, overnight delivery service, or hand delivery, on the date delivery is first attempted) at the specified address during normal business hours (8 a.m. to 5 p.m., Monday through Friday, except national or pertinent state holidays), except that notices of change of address are effective 10 business days after the date of delivery (or first attempted delivery).

18.6 Time of Essence. Time is of the essence of this Agreement and of each provision of this Agreement.
18.7 **Merger.** This Agreement (together with each Schedule and the Manual, as it exists from time to time, each of which is incorporated by reference into this Agreement) contains the entire agreement of the parties with respect to the subject matter discussed in this Agreement. All prior discussions or negotiations (written or oral) are merged into this Agreement, and no representations, inducements, promises, or agreements not embodied in this Agreement survive the execution of this Agreement. This Agreement may not be modified or amended except (i) by issuance of a Schedule, signed by both parties, (ii) by a modification, supplement, or revision to the Manual issued by PHI in accordance with the terms of this Agreement, or (iii) by a written document, signed by the party to be bound, specifically referring to this Agreement.

Notwithstanding the foregoing, however, nothing in the preceding paragraph will disclaim the representations made to Licensee in the Franchise Disclosure Document for Prospective Licensees (the "Disclosure Document") that was presented to Licensee by PHI before execution of this Agreement. In case of conflict between this Agreement and the Disclosure Document, this Agreement will control; however, if there is uncertainty about the intention of provisions contained in this Agreement, the parties may refer to the Disclosure Document for evidence of PHI's understanding of this Agreement.

19. **Employment Relations.**

19.1 **Licensee's Employees.** Licensee will be solely responsible for all of Licensee's employment practices, including hirings, terminations, and other personnel actions. Licensee will protect, defend, and indemnify PHI, its affiliates, officers, and employees, from any and all proceedings, claims, and causes of action instituted by Licensee's employees, or by others, that arise from Licensee's employment practices.

19.2 **Interference.** During the Term, Licensee may not employ, directly or indirectly, any individual in a managerial position who is at the time, or was at any time during the prior 6 months, employed in a managerial position by PHI, any other licensee of PHI, or any franchisee of PHI. This restriction will not be violated if, at the time Licensee employs the individual, the current or former employer has given its written consent. For purposes of this Section 19.2, "managerial position" means all employees at the pay grade of restaurant manager and above.
20. **Representations and Warranties.** PHI warrants that all of the recitals set forth above are true as they pertain to PHI, its assets, and its business.

Licensee warrants that all of the recitals set forth above are true as they pertain to Licensee, its assets, and its business.

IN WITNESS WHEREOF, the parties through their duly authorized signatories have executed this Agreement this [21] day of [March], 2013.

ATTEST:

PIZZA HUT, INC.

By: [Signature]
Jeffrey B. Hebig
Vice President & General Manager
Yum! Brands Express

ATTEST:

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

By: [Signature]

Title: [DIRECTOR OF MATERIALS MANUFACTURING]
## Exhibit A

### SALES REPORT
for
PIZZA HUT LICENSEES

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SCHEDULE 12-01
TO
MASTER LICENSE AGREEMENT

SCHEDULE DATE: February 15, 2013

PARTIES: "PHI" Pizza Hut, Inc.
7100 Corporate Drive
Plano, Texas 75024

"Licensee" Virginia Polytechnic Institute and State University
109 New Hall West, Mail Code: 0428
Blacksburg, Virginia 24060

LICENSED CONCEPT: Pizza Hut Institutional Kiosk

LICENSED LOCATION: Virginia Polytechnic Institute
and State University (K01551)
Owens Dining Hall, Hokie Grill
Blacksburg, Virginia 24060

DATE OF MASTER LICENSE AGREEMENT: As of February 15, 2013

STARTING DATE: March 1, 2013
(That is, date on which operation of the Licensed Concept at the Licensed Location will start.)

1. Relation to Master License Agreement. PHI and Licensee are parties to a Master License Agreement (the "Agreement"), which bears the date set forth above (as the "Date of Master License Agreement"). This is one of the "Schedules" contemplated by the Agreement ("Schedule" and all other terms defined in the Agreement are used in this Schedule as defined in the Agreement). This Schedule must be read in conjunction with the Agreement, in order to understand the rights and obligations of PHI and of Licensee.
2. Licensed Concept. The Licensed Concept that PHI authorizes Licensee to operate at the Licensed Location is the Pizza Hut Institutional Kiosk. The Pizza Hut Institutional Kiosk is a concept that involves the preparation and self-service or counter-service sale of a limited menu of Licensed Products. The Licensed Products that Licensee currently is authorized to sell in connection with this Licensed Concept are listed on Exhibit A hereto. Pizza Hut Institutional Kiosks usually are part of a larger foodservice facility (such as a cafeteria). Typically, the section of the foodservice facility dedicated to and designated as the Licensed Concept is identified by Pizza Hut trade dress.

If PHI consents to the merchandising (i.e., displaying for sale) of items other than Licensed Products under the Brand Umbrella, revenue from the sale of those items will be treated as part of Gross Sales for purposes of calculating royalties.

3. Extent of Licensed Location. The "Licensed Location" encompasses only the specific foodservice or retail facility in which the Licensed Concept is situated. The Licensed Location does not encompass any other building or portion of the complex (if any) in which that specific foodservice or retail facility is situated, even if there are other (whether related or independent) foodservice facilities in the same complex of buildings.

4. Delivery. Licensee may deliver Licensed Products (on a nonexclusive basis) to customers in the same building as the Licensed Location. Licensee may not, without the prior, written consent of PHI, deliver any Licensed Products to any point outside the specific building in which the Licensed Location is situated, notwithstanding any physical interconnection of that building and other buildings. Furthermore, Licensee may not prohibit, or limit the rights of, PHI or any of its franchisees from delivering PHI's proprietary brands of products to customers in the building in which the Licensed Location is situated (or any related point).

5. Marks. On the date of this Schedule, the word/logo Marks that PHI has designated as applicable to the Licensed Concept are listed on Exhibit B hereto.

6. License Fees. The license fees contemplated by Section 9.1 of the Agreement are, for purposes of this Schedule, as follows:

6.1 Initial Fee. On or before the "Starting Date" (as set forth on the first page of this Schedule), Licensee must pay PHI an initial license fee of $10,000 as partial consideration for PHI's authorization to operate the Licensed Concept at the Licensed Location. The initial license fee is fully earned when paid, and is not refundable to Licensee, in whole or in part, under any circumstances.
6.2 **Royalties.** Licensee must pay PHI a monthly royalty in an amount each month equal to 7% of Licensee's Gross Sales from the Licensed Location for the prior month. Payment of the monthly royalty is due in accordance with the terms of the Agreement.

6.3 **Counterparts.** Delivery of a signed and executed copy of this Schedule by facsimile, e-mail or other electronic method of transmission shall be equally effective as delivery of an original executed counterpart. Any party delivering a signed and executed copy by facsimile, e-mail or other electronic method of transmission also shall deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Schedule.

PIZZA HUT, INC.

By: ______________

Jeffrey B. Hebig
Vice President & General Manager
Yum! Brands Express

VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY

By: ______________

Title: **DIRECTOR OF MATERIALS Mgmt**
Exhibit A

Personal Pan Pizza®
Breadsticks
Wings
Sandwiches
## Exhibit B

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October 17, 2012
via UPS Express

Virginia Polytechnic Institute and State University
109 New Hall West, Mail Code: 0428
Blacksburg, VA 24061
Attention: Ms. Christine Boiling

Re: Pizza Hut Location – K1551, Virginia Polytechnic Institute & State University
Owens Dining Hall, Hokie Grill
Blacksburg, VA 24061
(the “Licensed Location”)

Agreement Extension Offer

Dear Licensee:

Pizza Hut, Inc. (“Pizza Hut” or the “Company”) is pleased to inform you of its intention, subject to certain terms and conditions set forth below, to offer you an extension of the term of your Pizza Hut Master License Agreement (the “Master License Agreement”), for operation of a Pizza Hut Express Store at the above referenced street address (the “Licensed Location”). Upon your signed acceptance and subject to your full compliance with the terms of the extension offer presented in this letter, Pizza Hut will grant to you an extension of the term until February 28, 2013 (the “Extension Date”). Such an extension permits you to continue restaurant operations at the Licensed Location until the Extension Date, with no promise or representation as to the grant of a new license agreement or successor agreement, or of any additional extension of your Master License Agreement.

All of the terms and conditions of your Master License Agreement shall remain in full force throughout any extended term. Any offer by Pizza Hut to grant you an extended term of your Master License Agreement is specifically conditioned upon your remaining in good standing as a Pizza Hut Licensee (the “Licensee”), as determined by Pizza Hut in accordance with its then current policies, procedures and standards. Nothing contained in this letter modifies Pizza Hut’s ability to exercise any of its rights if you do not comply with the Master License Agreement, including its termination rights.

Enclosed please find two (2) execution originals of this Agreement Extension Offer. To confirm your understanding and acceptance of the offer to extend the term of your Master License Agreement, as described above, please sign, date and return one (1) fully executed original to the following address, not later than October 24, 2012 (the “Deadline Date”).

YUM! Brands Express
7100 Corporate Drive
MD #2C2200
Plano, TX 75024
Attention: Connie Smith
Of course, you may choose not to accept this offer. If you do not accept it by the Deadline Date, or if you do not fulfill to the Company's satisfaction the terms and conditions outlined above, then this letter shall be notice to you that you must close the restaurant and cease operations at the close of business on October 24, 2012. In addition, you must de-identify the restaurant premises to Pizza Hut's satisfaction, including the removal from the Licensed Location of any signage bearing Pizza Hut's name and all Pizza Hut trademarks immediately following expiration of your Master License Agreement, and comply with all other applicable provisions.

If you have any questions regarding this letter, please contact Hong Tran at (972) 338-6830.

Sincerely,

PIZZA HUT, INC.

Jeffrey B. Hebig
Vice President & General Manager
YUM! Brands Express

On behalf of Virginia Polytechnic Institute and State University, Licensee of the Licensed Location, I hereby agree to the terms of the above referenced extension offer.

Licensee: Virginia Polytechnic Institute and State University

By: ____________________________

Lts: DIRECTOR OF MATERIALS MGMT

Date: Oct 22, 2012
August 22, 2012
via UPS Express

Virginia Polytechnic Institute and State University
109 New Hall West, Mail Code: 0428
Blacksburg, VA 24061
Attention: Ms. Christine Boling

Re: Pizza Hut Location – K1551, Virginia Polytechnic Institute & State University
Owens Dining Hall, Hokie Grill
Blacksburg, VA 24061
(the "Licensed Location")

Agreement Extension Offer

Dear Licensee:

Pizza Hut, Inc. ("Pizza Hut" or the "Company") is pleased to inform you of its intention, subject to certain terms and conditions set forth below, to offer you an extension of the term of your Pizza Hut Master License Agreement (the "Master License Agreement"), for operation of a Pizza Hut Express Store at the above referenced street address (the "Licensed Location"). Upon your signed acceptance and subject to your full compliance with the terms of the extension offer presented in this letter, Pizza Hut will grant you an extension of the term until October 24, 2012 (the "Extension Date"). Such an extension permits you to continue restaurant operations at the Licensed Location until the Extension Date, with no promise or representation as to the grant of a new license agreement or successor agreement, or of any additional extension of your Master License Agreement.

All of the terms and conditions of your Master License Agreement shall remain in full force throughout any extended term. Any offer by Pizza Hut to grant you an extended term of your Master License Agreement is specifically conditioned upon your remaining in good standing as a Pizza Hut Licensee (the "Licensee"), as determined by Pizza Hut in accordance with its then current policies, procedures and standards. Nothing contained in this letter modifies Pizza Hut’s ability to exercise any of its rights if you do not comply with the Master License Agreement, including its termination rights.

Enclosed please find two (2) execution originals of this Agreement Extension Offer. To confirm your understanding and acceptance of the offer to extend the term of your Master License Agreement, as described above, please sign, date and return one (1) fully executed original to the following address, not later than August 24, 2012 (the "Deadline Date").

YUM! Brands Express
7100 Corporate Drive
MD #2C2200
Plano, TX 75024
Attention: Connie Smith
August 22, 2012
Mr. Christine Boling
Virginia Polytechnic Institute and State University

Of course, you may choose not to accept this offer. If you do not accept it by the Deadline Date, or if you do not fulfill to the Company’s satisfaction the terms and conditions outlined above, then this letter shall be notice to you that you must close the restaurant and cease operations at the close of business on August 24, 2012. In addition, you must de-identify the restaurant premises to Pizza Hut’s satisfaction, including the removal from the Licensed Location of any signage bearing Pizza Hut’s name and all Pizza Hut trademarks immediately following expiration of your Master License Agreement, and comply with all other applicable provisions.

If you have any questions regarding this letter, please contact Hong Tran at (972) 338-6830.

Sincerely,

PIZZA HUT, INC.

On behalf of Virginia Polytechnic Institute and State University, Licensee of the Licensed Location, I hereby agree to the terms of the above referenced extension offer.

Licensee: Virginia Polytechnic Institute and State University

By: WI: KALOUPEK
Its: DIRECTOR OF MATERIALS MANAGEMENT

Date: 08/22/2012
Hi Tom,

We have reached a resolution on the new Pizza Hut contract, and I have the final documents in hand. I confirmed with Dining Services the payout for the last contract was somewhere around $320K over the 5-year term, so it is well under your signature threshold. Are you comfortable signing the new agreement? I am preparing the package and can get it in the morning’s mail run.

Please let me or Trisha know if you have questions.

Thanks,
Tracey

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From: Wilson, Trisha
Sent: Tuesday, February 19, 2013 5:44 PM
To: Gallagher, Tracey
Subject: RE: Pizza Hut Agreement

Tom Kaloupek signed the last agreement. I have reviewed the documents and found no issues.

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Trisha Wilson

Virginia Tech
Senior Buyer
Procurement Department
270 Southgate Center
Blacksburg, VA 24061
Phone: 540-231-7402
Fax: 540-231-9628
wilsontevt.edu

From: Gallagher, Tracey
Sent: Tuesday, February 19, 2013 1:10 PM
To: Wilson, Trisha
Subject: FW: Pizza Hut Agreement

Hi Trisha,

I am not sure why you were not copied on this email. Christine brought over the revised letter amendment this morning (see second attachment), and I am reviewing the documents this afternoon. I do not seem to have signed copies of any of the PH agreements. Do you know who sign the prior agreements? Tom, Dwight, or someone else?

Will you please review and let me know if you are comfortable proceeding.

Thanks,
Tracey