

## FRANCHISE DISCLOSURE DOCUMENT

# BOBBY'S BURGERS

Intelligration Capital BB, LLC  
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We offer franchises for the operation of restaurants under the “Bobby’s Burgers by Bobby Flay” name that offer quick-serve burgers and fries as well as other authorized food and beverages on an eat-in or take out basis in a family friendly setting with contemporary, warm, and lively décor (a “*Restaurant*”).

The total investment necessary to begin operation of a Restaurant is estimated to be between **\$547,950** and **\$2,862,000**. This amount includes **\$30,000** that must be paid to us or our affiliate. The total investment necessary to obtain development rights for the operation of three or more Restaurants ranges from **\$62,500** to **\$190,000** (which assumes, on the low end, three Restaurants and, on the high end, 15 Restaurants). This includes a territory reservation fee between **\$60,000** and **\$180,000** (which includes the **\$30,000** initial franchisee fee for the first Restaurant and **\$10,000** for the first and each subsequent Restaurant) that must be paid to us or our affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Michael McGill, Intelligration Capital BB, LLC, 2115 Rexford Road, Suite 530, Charlotte, NC 28211, and 803-753-4764.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 made available by the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: **March 27, 2023**

## How to Use This Franchise Disclosure Document

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

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

## What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state.

Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in [Exhibit A](#).

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

## Special Risks to Consider About *This* Franchise

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

1. **Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by mediation, arbitration and/or litigation only in North Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with us in North Carolina than in your home state.

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

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## Item 1

### THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

#### The Franchisor and its Parents and Affiliates

The franchisor is Intelligration Capital BB, LLC which is referred to in this Disclosure Document as “*Franchisor*,” “*Bobby’s Burgers by Bobby Flay*,” “*Bobby’s Burgers*,” “*we*,” “*us*” and “*our*.” A person or entity that buys a franchise from us is referred to in this Disclosure Document as “*you*,” “*your*,” or “*Franchisee*.” If you are a corporation, partnership, limited liability company, or other entity, your owners (“*Principals*”) must sign our “Guaranty and Assumption of Obligations” in their individual capacities, which means that all of the provisions of the Franchise Agreement (a form of which is attached as Exhibit C) also will apply to your Principals. Depending on the creditworthiness of the Principals and the community property laws of the states in which they reside, we may also require that the spouse of each Principal sign our “Guaranty and Assumption of Obligations.”

Franchisor is a Delaware limited liability company that was formed on November 8, 2021. Franchisor’s principal business address is 2115 Rexford Road, Suite 530, Charlotte, NC 28211. Franchisor has not previously conducted business in this or any other line of business and began offering franchises in this line of business in April 2022. Franchisor has never offered franchises in any line other line of business. In 2022, Franchisor granted a licensee the right to operate a licensed restaurant under the “Bobby’s Burgers by Bobby Flay” name at the Phoenix Sky Harbor International Airport in Phoenix, Arizona.

Franchisor’s parent is Intelligration Capital, LLC (“*Intelligration Capital*”), a Delaware limited liability company. Intelligration Capital’s principal business address is the same as Franchisor’s. Franchisor does not have any other parents, affiliates or predecessors required to be disclosed in this Item.

On August 2, 2022, we entered into an Amended and Restated Master License Agreement (the “MLA”) with BB License, LLC (“*Master Licensor*”) that grants us the exclusive right and license, to develop, operate, and grant franchises to qualified third parties using the Confidential Information, Marks and System throughout the world. Master Licensor entered into a license agreement with its affiliate, BBP, LLC, that authorizes it to grant these rights to us. Master Licensor’s principal business address is 2115 Rexford Road, Suite 530, Charlotte, NC 28211.

The identity and principal business address of Franchisor’s agents for service of process are listed in Exhibit B to this Disclosure Document.

#### The Franchise

We grant franchises for restaurants operating under the “Bobby’s Burgers by Bobby Flay” name and other trademarks and service marks (the “*Marks*”). For reference purposes in this Disclosure Document, we refer to “Bobby’s Burgers by Bobby Flay” restaurants businesses using the System (defined below) and the Marks as “Restaurants.” Restaurants offer quick-serve burgers and fries as well as other authorized food and beverages on an eat-in or take out basis in a family friendly setting with contemporary, warm, and lively décor. You may, but are not

obligated to operate a bar offering approved beer, wine, and spirits at your Restaurants. In some instances, Restaurants may include a drive thru lane. Menu items are prepared according to our specified recipes and procedures and may use certain proprietary or branded products, including branded food products, beverages, drinks, and other food products that will be prepared, distributed, and supplied according to our proprietary designs, recipes, and menus (collectively “*Proprietary Products*”).

Restaurants use our distinctive business formats, methods, procedures, signage designs, layouts, standards, and specifications, and Marks (the “*System*”), all of which we may improve, further develop, or otherwise modify. If you acquire a franchise, you must operate the Restaurant according to the System. The Restaurants offered pursuant to this Disclosure Document will range between 800 and 3,600 square feet and will be located in shopping centers, street locations, enclosed malls, strip centers, freestanding buildings, grocery stores, department stores, airports, military bases, universities, hospitals, office buildings, and bus/train stations with dense residential and strong daytime working populations (each a “*Premises*”). In some instances, Restaurants may include a drive thru lane.

You must sign a Franchise Agreement for the right to develop, open and operate a single Restaurant at a single location. We also may grant multi-unit development rights to qualified franchisees, who then will have the right to develop no less than three Restaurants within a defined area (the “*Area*”) over a specific time period or according to a pre-determined development schedule. These franchisees may open and operate Restaurants directly or through controlled affiliates. Our Development Agreement Rider to the Franchise Agreement is attached as Exhibit D. (See Item 5 and Item 12) You must sign our then-current form of franchise agreement for each Restaurant you develop pursuant to our Development Agreement Rider to the Franchise Agreement, which may differ from the Franchise Agreement attached as Exhibit C.

We offer the following incentive in connection with your Franchise Agreement for a new Restaurant if you meet certain criteria. The 2023 Veterans Incentive Program applies to new and existing franchisees who (i) are United States military veterans; (ii) have been honorably discharged from any branch thereof; (iii) provide us with a copy of their DD Form 214; (iv) own a majority interest in the franchised Restaurant; and, (v) otherwise meet our requirements for the 2023 Veterans Incentive Program (the “*Veteran Incentive Qualifications*”). The available incentive is that you will be provided with a 10% reduction of the Initial Franchise Fee.

### **Competition and Market**

Your Restaurant(s) will offer menu items to the general public throughout the year. That being said, the market for food and beverages is well-developed and competitive nationally. You will have to compete with other restaurants, fast food restaurants, pubs, and bars serving burgers, fries, and other types of restaurant style food as well as supermarkets, food retailers, and food trucks located in your venue, shopping center, market area, and vicinity. Some of your competitors may include Restaurants operated by other franchisees or by us or our Affiliates.

### **Industry Specific Regulations**

You must comply with all existing regulations concerning food service, nutrition, calorie



content, and other federal or state regulations that apply specifically to the food and beverage service industry. For example, the Environmental Protection Agency, U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local environmental and health departments and other agencies, have laws and regulations concerning the preparation of food and sanitary conditions of food and beverage establishments. State and local agencies may periodically conduct inspections for compliance with these requirements. Under the federal Clean Air Act and certain state laws, you may be required to comply with applicable statutory guidelines, such as localized quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

You also must comply with existing laws, regulations, and ordinances that apply generally to all businesses, such as the Americans with Disabilities Act, federal wage and hour laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, anti-terrorism and anti-corruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or “*FACTA*”). It is your sole responsibility to comply with all applicable laws, and to obtain and maintain all necessary licenses and permits required by public authorities. You should investigate these laws that may apply to the food service and beverage service industry and to all businesses in general.

If you offer alcohol, you must obtain an appropriate beer, wine, and/or liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty, and cost to obtain a license to sell liquor, the restrictions placed on how beer, wine, and liquor may be sold, and the potential liability dram shop laws impose involving injuries, directly and indirectly, related to the sale of liquor and its consumption. You must understand and comply with those laws in operating your Restaurant.

## **Item 2 BUSINESS EXPERIENCE**

### **Daniel Beem: Chairman of the Board of Managers**

Mr. Beem has been our Chairman of the Board of Managers since October 2021. Mr. Beem has also served as Chief Executive Officer of Hissho Sushi since September 2017.

### **Michael McGill: President**

Mr. McGill has been our President since October 2021. From January 2021 to February 2022, Mr. McGill served as PT Asharia Karya Indonesia’s Chief Operating Officer in Jakarta, Indonesia. From July 2020 to January 2021, Mr. McGill served as a consultant for PT Asharia Karya Indonesia in Jakarta, Indonesia, and from July 2018 to May 2020, he served as PT Mitra Adiperkasa Tbk.’s Chief Operating Officer in Jakarta, Indonesia. From June 2014 through June 2018, Mr. McGill was the Vice President-International for Krispy Kreme in Winston-Salem, North Carolina.

### **Kevin Matias: Director of Implementation**

Mr. Matias has been our Director of Implementation since October 2021. From 2007 until joining us, Mr. Matias held multiple roles in operations and training with Krispy Kreme in Winston-Salem, North Carolina, working on both the domestic and international side of the business.

### **Patrick Knapp: Vice President of Operations**

Mr. Knapp has served as our Vice President of Operations since November 2022. From October 2018 through November 2022, Mr. Knapp served as Senior Director of Non-Traditional Strategy for Hissho Sushi in Charlotte, North Carolina. From June 2018 to October 2018, Mr. Knapp served as a Consultant for Hissho Sushi in Charlotte, North Carolina.

## **Item 3 LITIGATION**

### **Franchisor**

No litigation is required to be disclosed in this Item.

### **Master Licensor**

No litigation is required to be disclosed in this Item.

## **Item 4 BANKRUPTCY**

### **Franchisor**

No bankruptcy is required to be disclosed in this Item.

### **Master Licensor**

No bankruptcy is required to be disclosed in this Item.

## **Item 5 INITIAL FEES**

### **Franchise Agreement**

If we grant you a franchise for a Restaurant, then when you sign the Franchise Agreement you must pay us a non-recurring initial franchise fee (“*Initial Franchise Fee*”) of \$30,000. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances. The Initial Franchise Fee is uniform as to all franchisees purchasing a franchise for a Restaurant.

As described in Item 1, we offer the 2023 Veterans Incentive Program in connection with your

Franchise Agreement for a new Restaurant if you meet the Veteran Incentive Qualifications. Prospective new and existing franchisees who meet the Veteran Incentive Qualifications will be provided with a 10% reduction of the Initial Franchise Fee.

### **Development Agreement Rider**

If we allow you to sign our Development Agreement Rider to the Franchise Agreement because you commit to develop a minimum of three Restaurants in an Area, we currently charge a territory reservation fee (“*Territory Reservation Fee*”) that you must pay in full when you sign the Development Agreement Rider. The Territory Reservation Fee due equals the full \$30,000 Initial Franchise Fee for the Restaurant covered by that Franchise Agreement plus \$10,000 for the first and each subsequent Restaurant you will develop. The full Initial Franchise Fee (that is, \$30,000) for the second and each additional Restaurant is due when you sign the Franchise Agreement for that Restaurant. We and you will determine the number of Restaurants you must develop, and the dates by which you must develop them, before signing the Development Agreement Rider.

The Territory Reservation Fee is not refundable under any circumstances. If you sign the Development Agreement Rider, pay the Territory Reservation Fee, and then cannot find sites for Restaurants or choose not to perform for another reason (in which case the first Franchise Agreement and/or the Development Agreement Rider is terminated), we may keep the entire Territory Reservation Fee and need not return any money to you.

### **Equipment, Signage and Existing Restaurants**

We may acquire certain used equipment and signage and offer it for sale to prospective or existing franchisees at a price that we believe to be equal to or less than the fair market value of that equipment and signage. If we make that offer to you, you have the option of purchasing that equipment and signage from us or purchasing new equipment and signage from approved third parties. In addition, we or our affiliates, may offer to sell to prospective or existing franchisees an existing operational Restaurants (including the equipment, signage, fixtures, inventory and other items necessary to operate the Restaurant) at a price that we believe to be equal to or less than the fair market value of the Restaurant. If we make that offer to you, you have the option of purchasing the existing operational Restaurants or starting your own Restaurants.

### **Range of Pre-Opening Amounts Received During Prior Fiscal Year**

We did not receive any amounts toward the pre-opening fees described above from any franchisees under Franchise Agreements or Development Agreement Riders during our prior fiscal year.

**Item 6  
OTHER FEES**

Column 1 Type of Fee <sup>(1)</sup>	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fees	6% of weekly Net Sales <sup>(2)</sup>	Weekly on every Wednesday for Royalty Fees due for the previous week. <sup>(3)</sup>	Payable by ACH. A week for the payment of Royalty Fees is Monday through Sunday.
Brand Fund Contribution	Up to 3% of weekly Net Sales (currently, 1% of weekly Net Sales) <sup>(2)</sup>	Weekly on every Wednesday for Brand Fund Contributions due for the previous week <sup>(3)</sup> . Shall be paid at same time and same manner as your Royalty Fees.	Payable by ACH. We may increase the Brand Fund Contribution upon 30 days written notice to you.
Local Marketing Expenditure <sup>(4)</sup>	On a weekly basis, at least 1% of Net Sales <sup>(2)</sup>	You must spend no less than 1% of your Net Sales on approved local marketing programs.	We may audit your books and records to confirm that you are complying with this requirement.
Transfer Fee <sup>(5)</sup>	50% of then-current Initial Franchise Fee	At closing of the transfer.	Payable prior to transfer of Franchise Agreement or ownership interest in business entity of franchisee. This amount will be reduced to \$2,500 for a transfer to a person or entity that is majority owned by you, or to a person or entity that owns a majority interest in you, or to an entity that is owned by the same persons or entities that beneficially own a majority interest in you.

<b>Column 1</b> <b>Type of Fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
Renewal Fee <sup>(6)</sup>	50% of then-current Initial Franchise Fee	Upon your delivery of written notice to us of your intent to renew your Franchise Agreement.	You may, with our approval and consent, which will not be unreasonably withheld, and the payment of the Renewal Fee, renew the Franchise Agreement for two five-year terms. The Renewal Fee is payable each time that you renew your Franchise Agreement.
Relocation Fee <sup>(7)</sup>	\$5,000	At the time you request a relocation of your Restaurant	The Relocation Fee is intended to cover our administrative expenses associated with reviewing and administering your proposed relocation. If we approve your relocation, we will retain the entire Relocation Fee. If we disapprove your proposed relocation, we will return the Relocation Fee minus our reasonable costs and expenses in reviewing the proposed relocation.
Additional Initial Training Fee (8)	\$2,500 per student.	Upon registration for the Training System of anyone beyond the two individuals included with your Initial Franchise Fee.	The Training Fee for 2 individuals is included with the payment of your Initial Franchise Fee. Payable at the time you register for our Training System.
Hours Violation Fee	\$250 per day that you are not open the required number of hours.	Payable if you are not open for business the required hours as stated in our Confidential Operations Manual (unless waived by us in writing).	Franchisee must keep the Restaurant open to the public the greater of: (i) seven days per week and 70 hours per week; and (ii) the hours required by your property owner (the “ <b>Landlord</b> ”)

<b>Column 1</b> <b>Type of Fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
Continuing Training, Annual & Other Meetings <sup>(9)</sup>	Up to \$2,500 per attendee, per year.	Upon invoice, ACH, or EFT no less than six months prior to the scheduled training or meeting.	You are required to attend our continuing training, annual meetings, conferences, conventions, and other meetings that we schedule. These meetings may take place at our headquarters or other locations throughout the United States. We will charge you a fee for mandatory training and meetings regardless of whether you actually attend such meetings.
Ordering Non-Compliance Fee	\$1,500 - \$2,500 per violation.	Payable on demand upon your failure to order from our approved suppliers.	The first violation will incur a fee of \$1,500. You will be assessed a \$2,500 fee for each subsequent violation. This is to prevent franchisees from purchasing ingredients from unapproved sources.
Lab Test to Examine Food	\$500 per food item test.	On demand.	To ensure food safety we may laboratory test your food for safety on occasion in our discretion. Our cost to do so with an outside laboratory may be more or less than the amount we charge you, but we will charge you a flat fee of \$500 per food item. This fee is imposed by and payable to us and is not collected on behalf of nor paid to any third party except we may incur costs from testing.
Technology Fee	\$750-\$1,500 per month	Monthly. Will be withdrawn monthly in the same manner and at the same time as we withdraw Royalty Fees and Brand Fund Contributions.	You will pay us a Technology Fee for those technology licenses and services that we provide to you or that we license from others to provide to you. Currently, the Technology

<b>Column 1</b> <b>Type of Fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
			Fee includes maintenance of the website, license of POS hardware and software, online and app ordering, loyalty program, email system management, intranet systems, digital menu boards, and drive thru systems. We may increase the Technology Fee upon 30 days prior written notice to you.
Fee for failure to attend Additional Training Sessions <sup>(10)</sup>	\$1,000 per person that fails to attend required Additional Training Sessions.	On demand.	
Default Interest <sup>(11)</sup>	1.5% per month on all unpaid amounts.	You will be required to pay us interest equal to 1.5% per month on any amounts not timely paid to us within 10 days of deadline.	The Default Interest rate will be lowered if state or federal law requires a lower interest rate.
Document Late Charge (12)	\$250 per day per late document.	Upon your failure to timely provide us with documents or reports required by the Franchise Agreement including the Confidential Operations Manual.	
Draft Draw Charge <sup>(13)</sup>	\$250 per returned draft.	Weekly if we cannot ACH your business account for all amounts owed on a weekly basis.	If you fail to provide us with the information we need to draw drafts against your account for Royalty Fees and other payments owed to us pursuant to your Franchise Agreement.

<b>Column 1</b> <b>Type of Fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
Non-Compliance Fee <sup>(14)</sup>	\$2,500 - \$5,000	Payable on demand.	See note 14.
Audit	Our costs, fees and expenses if the audit reveals an understatement.	Promptly after the audit if the audit reveals an underpayment, from the due date.	You will be required to pay Default Interest on unpaid amounts revealed during any audit of your Restaurant.
Interim Operating Fee	8% of Net Sales <sup>(2)</sup> plus our reasonable expenses.	Weekly at the same time as your Royalty Payment.	Payable if you abandon, fail to properly operate, or request that we (or our designee) operate your Restaurant. This amount is in addition to Royalty Fees, Brand Fund Contributions, etc.
Early Termination Fee <sup>(15)</sup>	50% of the Initial Franchise Fee plus estimated Royalty Fees (6%) for remainder of Term.	On demand.	See Note 15.
Premiums and Other Amounts Paid by us if You Fail to Purchase Required Insurance	You must reimburse our actual costs.	As incurred.	We may, in our sole discretion, pay insurance premiums or other amounts that you fail to pay for required insurance and charge you such premiums and fees plus 15%.
Attorneys' Fees and Costs <sup>(16)</sup>	Actual fees and costs.	As incurred.	
Indemnification of us	Actual amount of all claims, obligations, and damages arising out	As incurred.	



<b>Column 1</b> <b>Type of Fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
	of the Restaurant's operation, employment matters, the business you conduct under the Franchise Agreement, and your breach of the Franchise Agreement.		
Currency <sup>(17)</sup>	Any conversion fees that we incur.	As incurred.	All payments must be in U.S. Dollars.
Taxes	Actual cost of applicable taxes.	Within 10 days of invoice.	
Non-Compete Violation Fee	\$30,000 plus 9% of Net Sales from all products and services sold by or from the Restaurant, whether for on-site or off-site consumption.	On demand.	Payable if you breach any of the non-compete provisions contained in <u>Section 13</u> of the Franchise Agreement.
Administrative Fee	\$500 per day that we have the right to terminate the Franchise Agreement.	As incurred.	Due when you do not comply with the Franchise Agreement.
Testing	Our reasonable cost of inspection and actual cost of the test, not to exceed \$10,000.	As incurred.	This covers our costs and expenses for inspecting new suppliers you propose.

**NOTES:**

(1) All fees in the above table, which are payable to us or our affiliates, may be modified by us from time to time without your approval. Those fees will be no greater than the fees then being charged to new franchisees. Except as stated above, those fees are uniformly imposed and collected and are not refundable.

We require you to sign a pre-authorization form to enable us to draw against your bank account

for the full amount of the Royalty Fees, Brand Fund Contributions, equipment fees, and for any other amounts that you owe to us or our affiliates or your cooperative advertising association (for example, for promotional materials). The form of that authorization is contained in Exhibit E to this Disclosure Document.

(2) “**Net Sales**” as used in this Disclosure Document means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the Restaurant (including, without limitation, revenues and income you receive from the proceeds of any business interruption insurance policies), whether for cash, credit or debit card, barter exchange, trade credit, or the redemption of authorized gift cards (and regardless of collection in the case of credit), whether from sales on the Restaurant premises, by delivery, from catering, or other sales methods (whether the sales method is permitted or not). Net Sales exclude: (i) all federal, state, or municipal sales taxes, use, or service taxes or other taxes collected from guests for transmittal to the appropriate taxing authority; (ii) employee tips; (iii) refunds to customers made in good faith to arms’ length guests; (iv) other documented refunds, credits, allowances, and charge-backs the Restaurant in good faith gives to customers; (v) proceeds from the sale of authorized gift cards; and (vi) the value of discounted or complimentary meals that you furnish to employees, guests, family members and other business entities that you own and control; provided however, any exclusions under this subpart (v) shall be capped at a maximum of four percent (4%) of Net Sales in connection with calculating any payments due and owing to us.

(3) The royalty period runs from the Monday to Sunday (the “**Calendar Week**”). Royalty Fees and Brand Fund Contribution payments based on Net Sales during each Calendar Week shall be withdrawn by ACH from your bank account on the Wednesday after the end of the previous Calendar Week.

(4) We will collect a Brand Fund Contribution of 3% of Net Sales. The Brand Fund will be used for marketing, advertising, production, and media expenses to promote the Bobby’s Burgers by Bobby Flay names, Systems, products, and services. We may increase the Brand Fund Contribution upon 30 days written notice to you. We will collect your Brand Fund Contribution at the same time and in the same manner as we collect your Royalty Fee. You are also required to spend no less than 1% of your Net Sales on local marketing on a weekly basis (the “**Local Marketing Expenditure**”).

(5) We may allow you to transfer your Restaurant to a new franchisee if they meet our then current standards for new franchisees and you comply with our requirements for transfer. One of the requirements for transfer is the payment to us of a transfer fee at the time you provide written notice of your intent to transfer, which transfer fee will be \$2,500 if you transfer your Restaurant to a person or entity that is majority owned by you, or to a person or entity that owns a majority interest in you, or to an entity that is owned by the same persons or entities that beneficially own a majority interest in you, or half of the then-current Initial Franchise Fee if you transfer your Restaurant to a third party (the “**Transfer Fee**”). The Transfer Fee is intended to reimburse us for our costs, expenses, and time in reviewing, administering, and processing the proposed transfer of your Restaurant.

(6) The initial Term of the Franchise Agreement is 10 years. At the expiration of the Term,

Franchisee may renew the Franchise Agreement for two consecutive five year terms (each a “**Renewal Term**”). To renew the Franchise Agreement at the end of the Term or a Renewal Term, you must comply with our renewal requirements. One of our renewal requirements is the payment of a renewal fee. Your renewal fee will be 50% of the initial franchise fee then being charged to new Bobby’s Burgers by Bobby Flay franchisees.

(7) You must request and receive our approval before relocating your Restaurant from the address and Premises originally selected by you and approved by us. At the time you submit a written request to relocate your Restaurant; you must deposit with us \$5,000 as a Relocation Fee. The Relocation Fee is intended to cover our administrative expenses associated with reviewing and administering your proposed relocation. If we approve your relocation, we will retain the entire Relocation Fee. If we disapprove your proposed relocation, we will return the Relocation Fee minus our reasonable costs and expenses in reviewing the proposed relocation.

(8) The Training System for up to two people is included with your Initial Franchise Fee. If you require additional people to attend the Training System, you will pay us a fee of \$2,500 per additional person. Training of the additional people may be held at the same time as training of the initial two people, at our election. All Training System attendees bear their own travel, lodging and meal expenditures in connection with attending. We may require or permit you to attend the Training System again, at your expense (\$2,500 per person, plus travel, lodging and meal expenditures in connection with attending the Training System). Additional training programs and refresher courses may be required upon renewal and from time to time.

(9) We may elect, in our sole discretion, to charge a fee for additional training programs. You will be required to bear your own travel, lodging, and meal expenditures in connection with attendance. In addition, you must attend, at your expense, all annual and other meetings and conference calls of franchisees that we determine are mandatory for all franchisees, or groups of franchisees (as designated by us), such as franchisees within a particular geographic region. We will bill you in advance for the attendance fee for all national meetings and training programs—whether you attend or not. We may also impose a charge for your failure to attend such programs, courses, meetings, and conference calls.

(10) If we have notified you of a default of operating procedures or requirements under the Franchise Agreement, and you have failed to cure the operating default within the time specified in the notice of default, we may require you to take additional training. This fee is charged for the daily training session and not on a per person basis. This fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party, and is non-refundable.

(11) We may charge you default interest on any unpaid amounts at the rate of 1.5% per month (“**Default Interest**”). Default interest will accrue on a weekly basis. The Default Interest rate will be lowered if state or federal law requires a lower interest rate.

(12) If you fail to deliver or provide to us any statement, report or other document or information required to be delivered (for example, sales reports, Certificates of Insurance and financial statements), by the applicable deadline, you will be assessed a late charge of \$250 per day, or part thereof (until that statement, document or other information has been delivered or provided), which amount may be increased by us from time to time.

(13) If you fail to provide us with any necessary information or documentation with respect to our practice of drawing drafts against your bank accounts, you will be assessed a fee in the amount of \$250 per day.

(14) This fee is charged for each incident of noncompliance of your operational obligations under the requirements, procedures or policies of the Franchise Agreement, upon notice to Franchisee, whether or not you are entitled to cure the deficiency under the Franchise Agreement. This fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party, and is non refundable.

(15) This fee is payable if your Franchise Agreement is terminated before expiration of the term as a result of your default of the Franchise Agreement, or if you abandon or refuse to operate the restaurant before the end of the term of your Franchise Agreement. In addition to this fee, you may also be required to compensate us for our damages that include travel expenses, labor and employee cost to operate the location, food products removed, and unpaid and other expenses to operate the restaurant location. This fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party, and is non- refundable. This fee is in addition to, and not in lieu of, the Interim Operating Fee.

(16) You are responsible for our reasonable attorneys' fees incurred in enforcing our rights under the terms of the Franchise Agreement including but not limited to our efforts to collect Royalty Fees and other amounts that you owe to Franchisor or our Affiliates.

(17) Computation of any amounts to be paid that require conversion between currencies will be made at the selling rate for United States Dollars quoted by our primary bank on the date on which payment is made.

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**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**  
**SINGLE FRANCHISE AGREEMENT**

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee <sup>(1)</sup>	\$30,000	\$30,000	Lump Sum	At signing of Franchise Agreement (and, if applicable, Development Agreement Rider)	Us
Lease Security Deposit <sup>(2)</sup>	\$30,000	\$450,000	Lump Sum	Upon execution of lease agreement	Landlord(s)
Rent for first three <sup>(3)</sup> months	\$15,000	\$150,000	As Incurred	Prior to Opening	Landlord(s)
Real Estate Broker Fees <sup>(4)</sup>	\$0	\$360,000	As incurred	Prior to execution of Lease Agreement	Approved Real Estate Broker
Travel and Living Expenses (two persons) while training <sup>(5)</sup>	\$7,500	\$12,000	As Incurred	During Training	Airlines, Hotels, Restaurants, Etc.
Leasehold Improvements <sup>(6)</sup>	\$128,000	\$1,161,000	As Incurred	Prior to Opening	Approved contractors and vendors
Restaurant equipment and furniture <sup>(6)</sup>	\$222,000	\$339,000	As Incurred	Prior to Opening	Approved contractors and vendors
Opening Inventory, Small Wares, and Supplies <sup>(7)</sup>	\$25,000	\$75,000	Lump Sum	Prior to Opening	Approved Suppliers and Suppliers
Interior and Exterior Signage	\$5,000	\$50,000	As Incurred	Prior to Opening	Approved Sign Company
Point of Sale System and Back Office Computer	\$15,000	\$40,000	As Incurred	Prior to Opening	Approved or Designated POS Vendor
Required Insurance Premiums <sup>(8)</sup>	\$2,500	\$5,000	Lump Sum deposit and then monthly	Prior to Opening	Approved Suppliers
Permits and Licenses	\$4,200	\$30,000	As Incurred	Prior to Opening	Regulatory Agencies

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
	Low	High			
Technology Fees (first 3 months)	\$2,250	\$4,500	As billed by third party vendor	As billed by third party vendor	Approved Supplier
Miscellaneous Opening Costs <sup>(9)</sup>	\$0	\$25,000	As Incurred	As Incurred	Approved Suppliers, Utilities, Etc.
Grand Opening <sup>(10)</sup>	\$10,000	\$20,000	Lump Sum	Prior to Opening	Suppliers
Professional Fees <sup>(11)</sup>	\$5,000	\$7,500	As Incurred	Prior to Opening	Your accountant, attorney and other retained professionals
Uniforms	\$1,500	\$3,000	Lump Sum	Prior to Opening	Suppliers or Us
Additional Funds- 3 month initial period <sup>(12)</sup>	\$45,000	\$100,000	As Incurred	As Incurred	Us, Employees, Various Third Parties
<b>TOTAL(13)</b>	<b>\$547,950</b>	<b>\$2,862,000</b>			

## NOTES.

(1) The Initial Franchise Fee for your first Restaurants is \$30,000. We have the right to reduce or waive the Initial Franchise Fee in certain cases. The Initial Franchise Fee is non-refundable. The Initial Franchise Fee includes the training expenses for two individuals. There is a charge of \$2,500 per additional person attending the Training System. As described in Item 1, we offer the 2023 Veterans Incentive Program in connection with your Franchise Agreement for a new Restaurant if you meet the Veteran Incentive Qualifications. Prospective new and existing franchisees who meet the Veteran Incentive Qualifications will be provided with a 10% reduction of the Initial Franchise Fee.

(2) You must lease, sublease, license, or otherwise acquire the right to operate a Restaurant at the Premises. If you lease the Premises, the property owner, concessionaire, or landlord may require a security deposit, the amount of which generally ranges from one month of rent to three months of rent but may, in some instances, require payment of up to nine months of rent. The high range of the estimate in this Item 7 includes the payment of nine months of rent at \$50,000 per month as a security deposit. The amount of your security deposit will vary and may be non-refundable. In addition, in certain lease transactions, the property owner may require you and your owners to personally guarantee the lease. Real estate costs vary considerably depending on fair market values; operator or third party contributions, size, condition, and location of the Premises; and municipal requirements. Construction costs also vary considerably depending on fair market values in your area; size, condition, location of the Premises; labor costs (union versus non-union); and equipment requirements. The square footage generally needed to establish a Restaurant is between 800 and 3,600 square feet.

(3) This is an estimate of the rent you will pay during the first three months of operation of your Restaurant.

(4) The broker's fee is typically 3% of the total lease amount and is estimated to be between \$0 and \$360,000. All or part of the real estate broker's fee is typically paid by the Landlord. If the Landlord pays the real estate broker's fee, you will not pay a broker's fee.

(5) You must pay the travel and living expenses for at least two people to attend the Training System, which is currently located in Charlotte, North Carolina, or at a certified training restaurant. Your travel and living expenses will include airfare, hotel, and food for approximately three weeks. This amount may be significantly higher if you reside in certain remote areas or if you and we agree that you may bring more than two people through the Training System. This amount does not include salaries, if any, for you and your employees.

(6) Leasehold improvements may include necessary construction work, landscaping and grading of the Premises and parking lots, and other alterations to the proposed site to create a suitable retail space for your Restaurant. This estimate excludes any allowances for tenant improvements that you may receive from the landlord of the Premises. The total amount of leasehold improvements for your Restaurant will vary greatly, depending on the type of Premises for your Restaurant, condition of the Premises, and what improvements you require. Our estimates are based upon an existing building buildout and may be higher if you decide to build a new building. You must use approved third party architects and project management firms for the design and construction oversight of your Restaurant. In addition, you must use approved third party contractors for the construction of your Restaurant. The list of and/or criteria for approved architects, engineers, and contractors is included in the Confidential Operations Manual. The estimated costs of approved architects, engineers, and contractors is included in this estimate.

The estimate for equipment and furniture will depend upon the location, size, and condition of a particular restaurant. You must purchase restaurant equipment for your Restaurant from approved vendors and according to our specifications. The list of approved vendors is included in our Confidential Operations Manual.

(7) As with any retail business, you will purchase inventory continuously as long as you operate your Restaurant. This figure only represents an estimate of the initial inventory you will be required to purchase in opening your Restaurant.

(8) You must obtain and maintain certain types and amounts of insurance. (See Item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross sales, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 3 months.

(9) This represents an estimate of miscellaneous costs that you may incur in addition to the classes of costs identified in Item 7.

(10) You will be required to conduct a grand opening advertising campaign in conjunction with the opening of your Restaurant. You must pay all costs of the grand opening, including publicity costs and promotional costs, plus the full cost of any price reductions or other customer

inducements. If applicable, we will assist you with developing and carrying out this grand opening campaign.

(11) You should retain business professionals (advisors, accountants, attorneys) to assist you in evaluating, establishing, and managing your Restaurant. This is an estimate of the fees that you will incur in the retention of such professionals.

(12) Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business. The range shown estimates your expenses during the first three (3) months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. Your costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. The estimated additional funds is based upon our experience as a franchisor and our affiliates' experience operating company stores.

(13) These estimated ranges are based on our experience. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

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**YOUR ESTIMATED INITIAL INVESTMENT  
DEVELOPMENT AGREEMENT RIDER**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Territory Reservation Fee <sup>(1)</sup>	\$60,000- \$180,000	Lump Sum	At execution	Us
Legal and Accounting <sup>(2)</sup>	\$2,500 - \$10,000	As Arranged	As Incurred	Attorney, Accountant
<b>TOTAL<sup>(3)</sup></b>	<b>\$62,500 - \$190,000</b>			

If we allow you to sign our Development Agreement Rider to the Franchise Agreement because you commit to develop a minimum of three Restaurants in an Area, we currently charge a Territory Reservation Fee that you must pay in full when you sign the Development Agreement Rider. The Territory Reservation Fee due equals the full \$30,000 Initial Franchise Fee for the Restaurant covered by that Franchise Agreement plus \$10,000 for the first and each subsequent Restaurant you will develop. The full Initial Franchise Fee (that is, \$30,000) for the second and each additional Restaurant is due when you sign the Franchise Agreement for that Restaurant. The Territory Reservation Fee presented in this Item 7 table assumes the development of three Restaurants on the low end, and the development of 15 Restaurants on the high end. The Territory Reservation Fee is not refundable under any circumstances.

(1) We recommend strongly you engage the services of professionals to assist you in evaluating our franchise and to enter into the Development Agreement Rider. This will include attorneys and accountants. Actual cost depends on the work done by your attorneys and accountants and their rates.

(2) The estimated initial investment for a single Restaurant, as set forth in the Item 7 table above, will apply to each Restaurant opened under the Development Agreement Rider. You should be aware that such estimated initial investment for your second and subsequent Restaurant will likely be higher than for your first Restaurant due to inflation and other economic facts that may vary over time.

**Item 8  
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.**

**Franchise Agreement**

We have spent significant time, effort, and funds to develop the System. We have acquired experience and skill in developing and operating restaurants offering quick-serve burgers and fries as well as other authorized food and beverages on an eat-in or take out basis in a family friendly setting with contemporary, warm, and lively décor.

The unique characteristics of our System include, among others, proprietary marks, recipes, distinctive exterior and interior design, décor, color and identification schemes and furnishings; specially designed equipment; special menu items, ingredients, and proprietary recipes and formulations; standards, specifications and procedures for operations; quality of products and

services offered; management programs, training and assistance; and marketing, advertising and promotional programs. You must conform to our high and uniform standards of quality, safety, cleanliness, appearance, and service indicated in detail in our Confidential Operations Manual and related documents provided to all franchisees or otherwise in writing.

You must follow all our standards and specifications as to the products you offer. This is important to you, other franchisees, and to the System. We anticipate that our standards will change over time, and you are expected to adhere to these changes. We are currently the only Approved Supplier of certain logo items used in your Restaurant but we reserve the right to approve other suppliers for such products.

Your Restaurant location may, but will not be obligated to, offer beer, wine, and spirits that we designate or approve.

You must, at your own cost and expense, use only approved third party real estate brokers, architects and project management firms, as detailed in the Confidential Operations Manual, and associated construction/design manuals, for the design and construction oversight of your Restaurant. Except for the firms designated and approved by Franchisor, no architect or project management firm may be used for the design and construction oversight of your restaurant. In addition, you must use approved third party contractors for the construction of your Restaurant.

You must purchase an interior and exterior sign package and menu panels in accordance with our specifications indicated in the Confidential Operations Manual and related documents provided to all franchisees.

You are required to acquire, from an Approved Supplier, and exclusively use our approved point of sale system and software in connection with the operation of your Restaurant. The components and specifications of this system are identified in the Confidential Operations Manual, including approved vendors for such system. You shall also be required to own a personal computer, laptop, or similar device that allows you to communicate electronically with us.

You are required to accept all approved debit and credit cards, along with Franchisor's gift cards, loyalty cards, frequency cards, and any other similar Franchisor sponsored electronic card and/or payment program (collectively "***Gift/Loyalty Cards***") from consumers at your Restaurant. Prior to the opening of your Restaurant, you will be required to acquire an approved debit, credit, and Gift/Loyalty card processing system to use during the operation of your Restaurant. The components and specifications of these systems are identified in the Confidential Operations Manual, including approved vendor(s) for such items. Additionally, you must utilize Franchisor's designated third party payment card processor, as identified in the Confidential Operations Manual, for processing all such debit, credit, rewards, and Gift/Loyalty card transactions.

You must complete a food safety-training program at your cost, as well as any other classes and courses (pertaining to the offer and sale of food products, alcoholic and non-alcoholic beverages, or otherwise) as may be required by applicable laws. We recommend the SERVSAFE course available through your local county health department, or we will accept your local county or

state required program or any other nationally recognized food safety program. You must provide us with a copy of your certificate prior to commencing training.

You may not maintain an internet site, otherwise maintain a presence, or advertise on the Internet or any other public computer network in connection with your Restaurant without our prior written approval. We must approve any social media efforts (including Twitter, Facebook, Instagram, Yelp, etc.). You will be required to comply with our social media guidelines in your management of any social media efforts.

We may appoint ourselves or our Affiliates as an approved or designated supplier (including the only designated supplier) of certain products including food or other products used or offered in the Restaurant. We may, in the future, become an approved distributor or the only approved distributor for products used or offered in the Restaurant.

The Franchise Agreement requires that all food products, ingredients, equipment, furniture, fixtures, décor, signs, computer equipment, supplies and other products, services and materials which you will use in the operation of your Restaurant meet our standards and be purchased only from Approved Suppliers or Designated Suppliers. You may use any operational service providers, such as exterminators, refrigeration services companies; refuse removal companies, and similar service providers that you desire as long as such use complies with your Lease and local laws. If we introduce or test new products (as described in the Franchise Agreement attached as Exhibit C) or a new supplier of an approved product, you will be required to purchase such approved product(s) from the Approved Supplier within 60 days of notification from us. Approved Suppliers of food products, equipment, small wares, furniture, POS Systems, beverage equipment, liquor, beer, wine, sound systems, and certain ingredients and other logo items utilized in your Restaurant may be us or our Affiliates. To become an Approved Supplier, a supplier must demonstrate, to our reasonable satisfaction, it can meet all of our standards, and has adequate capacity to supply Franchisee's quantity and delivery needs. We will provide you with a list of Approved Suppliers for your market area as part of the Confidential Operations Manual.

None of our officers currently owns an interest in any Designated Supplier to the franchise network.

All requests for approving new or alternative suppliers must be submitted in writing by you and/or the supplier to us. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. Our criteria for approving suppliers is available to franchisees upon written request to us. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test not to exceed \$10,000 must be paid to us either by you or by the proposed supplier. If approved, in our sole reasonable discretion, we will notify you and/or the supplier in writing within 90 days of our receipt of an approval request. You must not offer for sale or sell any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier. We may, at our option, re-inspect the facilities and products of any Approved Supplier and revoke its approval upon the supplier's failure to meet any of our then current minimum

standards and specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products and stop purchasing from the disapproved supplier.

Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations underwritten by responsible insurance carriers acceptable to us and which are authorized to do business in the state(s) in which the Restaurant is located. You currently must have comprehensive commercial general liability coverage (\$2 million per occurrence for bodily injury and property damage and \$3 million aggregate; \$3 million products and completed operations aggregate; \$2 million personal and advertising injury limit; and \$100,000 damage to rented premises), motor vehicle liability insurance (\$1 million combined single limit per occurrence for bodily injury and property damage with contractual exclusion deleted), liquor liability insurance if you sell alcoholic beverages at the Restaurant, with a minimum per occurrence liability limit of \$1,000,000, cyber security insurance, and other policies containing the minimum liability coverage we specify from time to time, including worker's compensation and employer's liability insurance (\$500,000 per accident for bodily injury, \$500,000 per employee for injury by disease, and \$500,000 aggregate for injury by disease), umbrella insurance (\$4 million liability limit), and any other coverage required by law or your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us and our affiliates, officers, partners, shareholders, members, directors, managers, agents, employees, successors and assignees as additional insured parties. If you fail to obtain or maintain required insurance coverage for the Restaurant, we may do so on your behalf and invoice you for reimbursement of our costs to arrange the missing coverage plus 15%. The types and coverage amounts we prescribe are only minimums, and we have not assessed whether, and do not guarantee that, the types and coverage amounts are sufficient for the Restaurant.

Neither we, Master Licensor, nor either of our or Master Licensor's Affiliates received any revenue or other material consideration during 2022 from Restaurant franchisees from selling products or services to them, but we may in the future. Neither we, Master Licensor, nor either of our or Master Licensor's Affiliates received rebates and/or allowances from any suppliers based on purchases made by you and other Restaurant franchisees, but we may in the future. We anticipate that the rebates and/or allowances we will receive will be based upon a percentage of franchisee purchases. We may use the rebates and allowances received for our general operating purposes to benefit the System in our sole and absolute discretion.

Collectively, the purchases and leases described above are approximately 90% to 95% of your overall purchases and leases in establishing the Restaurant and 90% to 95% of your overall purchases and leases in operating the Restaurant.

We may negotiate special pricing arrangements or discounts with some of our suppliers. The arrangements may include special contract pricing, volume discounts, and specific discounts from regular wholesale prices. These discounts are typically passed on to our franchisees and/or contributed to our Brand Fund once established. We do not provide any other material special benefits to franchisees based on their purchase of particular approved supplies or their use of particular Approved Suppliers.

Franchisor provides all specifications and standards to Franchisees in the Confidential Operations Manual. We may modify the specifications and standards from time to time by providing franchisees with modification or supplemental inserts to the Confidential Operations Manual, by providing notices or bulletins, or by amending the Confidential Operations Manual. The Confidential Operations Manual is part of your Franchise Agreement with us.

We have not arranged any purchasing or distribution cooperatives among our franchisees.

We may from time to time provide referral incentives to franchisees, employees and others for qualified referrals of prospective franchisees. We may, from time to time, pay membership fees to public, quasi- public, and private service providers who refer potential franchisees from identified groups (veterans or military personnel service).

We may vary the terms of our franchises in connection with testing new marketing, branding, research, and development of new menu offerings, and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. We reserve the right to sell some of the products associated with the Restaurant brand to different retail outlets such as grocery chains or membership-based retailers.

### **Development Agreement Rider**

The Development Agreement Rider does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us information and materials we request regarding each site at which you propose to operate a Restaurant so we can assess that site. The information and materials we may request is consistent with the information and materials we may request for site selection under the Franchise Agreement. (See Item 11)

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**Item 9**  
**FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Section in Development Agreement Rider	Disclosure Document Item
a. Premises selection and acquisition/lease	2, 5	6	8, 11, 12
b. Pre-opening purchases/leases	2(c), 6	N/A	8, 11
c. Premises development and other pre-opening requirements	5, 6	N/A	5, 8, 11
d. Initial and ongoing training	3	N/A	11
e. Opening	5, 6(q)	3	8, 11
f. Fees	8	5	5, 6, 7, 8
g. Compliance with standards and policies/operating manual	6	N/A	8, 11, 12, 13, 16
h. Trademarks and proprietary information	7	4	13, 14
i. Restrictions on products/services offered	6(d)	4	8, 11
j. Warranty and customer service requirements	Not applicable	N/A	Not applicable
k. Territorial development and sales quotas	2, 5, Exhibit 2	2,3, 6	5, 12
l. Ongoing product/service purchases	6(c), 6(d)	N/A	8, 11, 16
m. Maintenance, appearance, and remodeling requirements	6(i)	N/A	11
n. Insurance	6(t)	N/A	7
o. Advertising	6(p), 6(q), 8(d)	N/A	6, 7, 8, 11
p. Indemnification	11	11	6, 13, 14
q. Owner’s participation/management/staffing	6(k)	N/A	15
r. Records and reports	9(a)	N/A	6
s. Inspections and audits	6(m), 9(b)-9(d)	N/A	6, 8
t. Transfer	8(a)(i), 14	10	6, 11
u. Renewal	8(a)(ii), 15	N/A	6, 11
v. Post-termination obligations	17	N/A	13, 14
w. Non-competition covenants	13	N/A	13, 14, 17
x. Dispute resolution	30	11	17

**Item 10**  
**FINANCING**

We do not offer any direct or indirect financing or 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.**

**Pre-Opening Assistance**

Before you open and begin operating the Restaurant, we will:

1. Identify the Site Selection Area for you to select a site for the Restaurant. (See Section 2(c): Franchise Agreement)
2. We anticipate that you will operate the Restaurant in a commercial space that you will lease either from a third party or, in some instances, from us or our Affiliates. We will accept or not accept each site that you propose within the Site Selection Area within 30 days according to our general criteria for selection of a Restaurant site. The site must meet our criteria for location, occupancy costs, proximity to major retail activity and other Restaurants, sign visibility, and applicable retail structure. You must submit and receive our acceptance of an acceptable site within the Site Selection Area and open your Restaurant within one year after you sign the Franchise Agreement (the “**Opening Deadline Period**”). Your failure to find an acceptable site and open your Restaurant by the Opening Deadline Period may result in termination of your Franchise Agreement. (See Sections 2(c) and 17(a)(iv); Exhibit C: Franchise Agreement)
3. After a Premises is identified, we will approve or disapprove (in our sole discretion) of the terms of the proposed lease agreement for your site within 30 days after you provide us with a copy of the terms. You must purchase or lease your business location from independent third parties. If you intend to lease your business location, the lease must include certain required provisions including a Franchisor Lease Addendum. (See Section 5(a)(ii); Exhibit C: Franchise Agreement)
4. Designate the Franchise Territory (the “**Franchise Territory**”) for the Restaurant. The Franchise Territory may be a geographic area, a Non-Traditional Location (airport terminal, train station, stadium, etc.), or the four walls of your Restaurant. The factors that we will consider in establishing a proposed Franchise Territory include location, adjacent economic profiles, captive population, accessibility, competition, and proximity to major retail and business activity. (See Section 2(b); Exhibit 2; Exhibit C: Franchise Agreement)
5. Provide you with one copy of the Confidential Operations Manual, the current table of contents of which is attached as Exhibit H to this Disclosure Document. As of the date of this Disclosure Document, the Confidential Operations Manual contains approximately 690 pages. (See Section 6(a); Exhibit C: Franchise Agreement).
6. Provide you with some of the rules, regulations, instructions, policies and procedures you must operate the Restaurant strictly in accordance with. (See Sections 6(b); Exhibit C: Franchise Agreement).

7. Assist you in identifying the furnishings, fixtures, and equipment (including cash registers, point of sale systems, and computer hardware and software), signs, products, materials, and supplies necessary or authorized for your Restaurant to begin operation. (See Sections 6(d) and 6(e); Exhibit C: Franchise Agreement).
8. Provide you with the names and contact information of any suppliers you are required or authorized to use to supply you with products or services that comply with our standards and specifications. The names and contact information of the Approved Suppliers and the written specifications for the approved equipment, signs, fixtures, opening inventory, and supplies are contained in the Confidential Operations Manual. Franchisor does not deliver or install any of these approved items. (See Sections 6(a) and 6(d); Exhibit C: Franchise Agreement).
9. Assist you, if you are opening a new Restaurant, in coordinating a grand opening promotional advertising program or such other advertising program as we may specify. (See Section 6(q); Exhibit C: Franchise Agreement).
10. Train you and your designated representative. (See Section 3; Exhibit C: Franchise Agreement) We describe this training later in this Item.
11. Designate a specific number of Restaurants you must develop and open at accepted locations in the Area (if we grant you development rights). (See Sections 2, 3, and 6; Exhibit D: Development Agreement Rider) (See Item 5, Item 12 and Item 15) Some of the assistance noted above may be performed during the term of a Development Agreement Rider but before the signing of a second or subsequent Franchise Agreement.

### **Ongoing Assistance**

During the operation of your Restaurant, we will:

1. Maintain a continuing advisory relationship with you, including consulting with you in marketing, merchandising, and general business operations, which may help you in improving and developing your Restaurant. (See Section 4; Exhibit C: Franchise Agreement).
2. Provide you with information on our operating and other standards for your Restaurant. We may modify these as, and when, we desire. (See Section 6(a); Exhibit C: Franchise Agreement).
3. Continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance, and service at all Restaurants in the System, including making periodic inspections and quality service checks of your Restaurant. (See Section 6(m); Exhibit C: Franchise Agreement)
4. Provide one of our representatives to come to your Restaurant during opening week for up to five days, at our expense, to work with you and/or your General Manager on opening, operating and marketing your Restaurant. You may request that our representative assist you for a longer period but you will be required to pay us On-Premises Consultation Fees for additional time that our representative spends assisting you in opening your Restaurant. (See Section 4(d);



Exhibit C: Franchise Agreement)

5. Establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. (See Section 6(o); Exhibit C: Franchise Agreement)
6. Upon your request, reasonably assist you in resolving operating problems you may encounter. (See Section 4(a); Exhibit C: Franchise Agreement)
7. Review proposed substitute locations and you must obtain our prior approval if you desire to relocate your Restaurant. (See Section 5(b); Exhibit C: Franchise Agreement)
8. Offer you the option to renew your Franchise Agreement for two consecutive five year terms, if you meet our requirements at the time of each renewal. Upon renewal, you must execute our form of Franchise Agreement being used at the time of your renewal and pay us the applicable Renewal Fee although the term of that Franchise Agreement will be amended to be five years. (See Section 15; Exhibit C: Franchise Agreement)

**Brand Fund**

We have established a National Brand Fund (the “**Brand Fund**”) that will include your Brand Fund Contributions and those of other Restaurant franchisees, in accordance with each applicable Franchise Agreement (See Item 6 of this Disclosure Document). The Brand Fund Contribution, which is a percentage of your Net Sales (See Exhibit C: Franchise Agreement) will be due and payable with the Royalty Fee (See Exhibit C: Franchise Agreement). All franchisees must contribute to the Brand Fund at the same rate of up to 3% (currently 1%) of Net Sales (the “**Brand Fund Contribution**”). If an affiliate of ours administers the Brand Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third parties for comparable services. Each of our company-owned or affiliated Restaurants will make contributions to the Brand Fund on the same basis as required of the other franchise owners in the same geographic market. Unless required by applicable law, we will have no obligation to create a trust account, escrow account, or other special account for the Brand Fund, and the monies comprising the Brand Fund may be placed in our general account(s) if we desire. We may also reserve portions of the Brand Fund for use in a subsequent year. (See Section 8(d); Exhibit C: Franchise Agreement). We may solicit franchisee input directly and/or form a franchise advisory council to provide input to us on the use of the Brand Fund, although we are not obligated to do so. We are not obligated to act on any specific proposals or recommendations from franchisees or a franchise advisory council.

The Brand Fund will be used for marketing, advertising, production, and media expenses to promote the Bobby’s Burgers by Bobby Flay names, Systems, products, and services. The Brand Fund may be used to pay any and all costs of maintaining, administering, directing, and preparing advertising, including the cost of preparing and conducting television, radio, internet, social media, digital, electronic mail, magazine and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist in such campaigns or other activities, and providing customizable digital files and other marketing materials to franchise owners. We are entitled to receive the following from the Brand Fund: reimbursement of our

expenses, overhead, and employee salaries for services provided to the Brand Fund, and rent for office space provided to the Brand Fund. Brand Fund Contributions not spent in the fiscal year in which they accrue are rolled over to the next fiscal year. The Brand Fund is not audited and the financial statements for the Brand Fund are not available to franchisees. We may use an outside advertising agency to create and place advertising or we may use an in-house marketing department.

Because we did not implement the Fund during our 2022 fiscal year, it has no operating history.

### **Your Local Advertising**

In addition to your Brand Fund contributions and your grand opening marketing and advertising campaign, you must, during each calendar week, spend no less than 1% of your Net Sales on approved local marketing programs. We may audit your books and records to confirm that you have satisfied this requirement.

All advertising by you must be conducted in a professional manner, must conform to the standards and requirements in our Confidential Operations Manual, and must display our Marks only in those forms approved by us. You will submit samples to us (through e-mail, return receipt requested) and obtain our prior approval (except with respect to the cost of the advertising) of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. If you do not receive our written approval within 15 days from the date of receipt by us of such materials, we will be deemed to have rejected the proposed advertising. We may make available to you, from time to time, approved advertising, promotional plans and materials for purchase.

You may not maintain a website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Restaurant without our prior written approval.

### **Cooperative Advertising Programs**

We will not prevent the formation of franchisee cooperatives. We may, in our sole discretion form, develop, and coordinate cooperatives. Currently, there are no regional or national marketing cooperatives for Restaurants franchisees. We encourage our franchisees to form and operate voluntary franchisee cooperative regional advertising associations (each a “*Cooperative*”). If a Cooperative is formed for your region, you must participate in the Cooperative or lose your right to vote as to Cooperative matters. The membership of the Cooperative would be defined by us by market area. We reserve the right at any time, in our sole discretion, to form, change, dissolve, or merge Cooperatives and you will be obligated to contribute to the Cooperative in an amount established and approved by the Cooperative that will be in addition to your other required marketing expenditures.

### **Computer System**

We require you to exclusively use a designated point-of-sale system to record all your sales during the operation of your Restaurant, the components of which are identified in the

Confidential Operations Manual (the “**POS System**”). We require that the manufacturer or its authorized representative to service the POS System, at your cost. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the term of your Franchise Agreement as we may require from time to time. There are no contractual limitations on the frequency or cost for Franchisee to upgrade or update the POS System during the term of the Franchise Agreement. It will be your responsibility to enter into contracts for the maintenance, support, upgrades, and updates to the POS System with an Approved Supplier of such services identified in either the Confidential Operations Manual or other notification to you from us advising of suppliers for your market area. Your POS System cost per Restaurants will depend, among other things, on your Restaurant’s size and configuration, the system options you choose and/or the types of telephone and internet access services available. You are required to obtain a high speed/always on internet connection service for your POS System. This requirement shall be defined by the then-current Confidential Operations Manual, which may change from time to time. You may be required, from time to time, to upgrade the POS System’s hardware and/or software, at your sole cost and expense, in order to maintain the POS System in conformity with our then current requirements. You and your employees must complete training for the POS System as we require. If you are buying an existing Restaurants with an older system, it is a requirement for the transfer that you purchase and install the then current POS System in your Restaurant. (See Section 6(e); Exhibit C: Franchise Agreement)

You are required to buy a POS System and other required hardware (“**Technology Package**”) and software in connection with the operation of your Restaurant. The current cost of the Technology Package is \$17,250-\$44,500. This amount includes the POS System, and a computer system with basic capability to interact with the internet, to receive and send emails using the email address we provide for you, word processing and spread sheet capabilities, to submit orders, and to receive monthly statements for purposes of operating your business generally. No specific type of data is necessary to be generated or stored in the computer system. We estimate a cost of \$300 every three years to update software and \$1,200 every five years to replace the computer. You are also required to pay a monthly Technology Fee of \$750-\$1500 per month for technology services that we provide to you or license from others to provide to you. We will have independent access to the information generated or stored in the computer system.

You must obtain credit card and gift card processing services from our designated vendor, which will be the same vendor used by Franchisor or affiliate owned Restaurants. The charges associated with credit card and gift card transactions are compiled per transaction and therefore will vary from Restaurant to Restaurant. We estimate that the costs associated with credit card transactions will be between 2% and 6% of your credit card and gift card generated Net Sales although this is subject to change.

We require that you permit us to poll your sales information on a daily basis. We require you to execute an Electronic Funds Transfer Agreement (which is attached to this Disclosure Document as Exhibit E), permitting us to debit your account for payment of: (a) Royalty Fees; (b) Brand Fund Contributions; (c) other amounts payable to us; and (d) product purchases from us or our Affiliates; (See Section 6(e); Exhibit C: Franchise Agreement)

## **Opening**

The typical length of time between the earlier of the signing of the Franchise Agreement or the first payment of consideration for obtaining the right to open and operate a Restaurant and the opening of a Restaurant is six to nine months. The factors that may affect this time are: lease negotiations; zoning procedures; financing applications; local ordinances and approvals; obtaining licenses and permits; construction delays; weather conditions; shortages; delayed installation of equipment, fixtures and signs; development or construction not in accordance with our requirements; labor disputes; Acts of God; and other reasons.

## **Training**

We will make an initial training program (the “*Training System*”) available to you and your designated representative after you sign the Franchise Agreement. The following table indicates the general subject matter, the days each subject is covered, the number of hours of classroom training, and the number of hours of “on-the-job” training for each subject to be covered during the Training System, and who will be performing each section of the Training System. Our instructors are experienced and adequately trained in the ownership and operation of a Restaurant. The person in charge of the Training System is Kevin Matias, our Director of Implementation. Mr. Matias has approximately 15 years of relevant experience in the food and beverage field and approximately one year of experience with us. Other personnel involved with on-the-job training of franchisees are third party training specialists who may assist us in developing the Training System. During the classroom portion of the Training System, staffing, kitchen management, inventory control, marketing and sales, POS/back office system, reporting and administration will be taught using the Restaurant Confidential Operations Manual. (See Section 3; Exhibit C: Franchise Agreement).

In-store training will be taught in a certified training Restaurant using our Confidential Operations Manual. Certain portions of the Training System may be altered or eliminated based upon your skill set. Further, substitute instructors may handle certain portions of the Training System.

### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Day 1: Orientation, Brand History, Review Schedule, Review Ops Manual, Menu Review, Review Station Guides & Daily Operating Procedures, Initial Prep, Food Safety	8		At training facility we designate
Day 2: Prep Training, Line Set-up, Opening Procedures, Opening Checklist, Cashier Station Training, Management Paperwork	1	9	At training facility we designate

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Day 3: Opening Procedures, Opening Checklist, Mid-day Checklist, Shake Station Training, Expo Training, Management Paperwork, Ordering	1	9	At training facility we designate
Day 4: Opening Procedures, Opening Checklist, Receiving Orders, Fry Station Training, Expo Training Sauce Prep, Management Paperwork, Inventory	1	9	At training facility we designate
Day 5: Inventory, Opening Procedures, Opening Checklist, Grill Station Training, Management Paperwork, Conduct an QSCE	1	9	At training facility we designate
Day 6: Prep Training, Opening Procedures, Opening Checklist, Assembly Training, Shift change/cashier change out, Management Paperwork	1	9	At training facility we designate
Day 7: OFF			At training facility we designate
Day 8: Customer Service, Local Marketing, Grill Station Training, Prep List, Order Guide, Invoices, Closing Procedure and Checklist, Manager paperwork	4	8	At training facility we designate
Day 9: Food Storage, Inventory, Assembly Station Training, Prep List, Closing Procedures and Checklist, Manager paperwork	2	8	At training facility we designate
Day 10: EOW reporting, Food and Paper Costs, Scheduling, Fry Station Training, Prep List, Closing Procedures, Closing Checklist, Manager paperwork	2	8	At training facility we designate
Day 11: Food and Paper Costs, Order Guide, Payroll, Maintenance, Expo and Shake Station Training, Closing Procedures, Closing Checklist, Manager paperwork	2	8	At training facility we designate
Day 12: MIT runs shift while trainer shadows	0	10	At training facility we designate
Day 13: Review previous days successes and opportunities with Trainer, MIT Runs Shift while trainer shadows	1	10	At training facility we designate

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 14: Final Exam, POS, ordering, equipment maintenance, service providers, the owner/operator items needed	10		At training facility we designate
<b>Total</b>	34	97	

You or another partner, shareholder or member of your business organization, and your General Manager must successfully complete our Training System to our satisfaction. If you wish to own and operate multiple Restaurants, you must continuously employ a minimum number of General Managers who have successfully completed our Training System. You and your General Managers must be able to read and write English fluently, in our good faith opinion, to satisfactorily complete our Training System, and to communicate with employees, customers and suppliers. If at any time prior to the opening or during the operation of your Restaurant you hire a new General Manager, the new manager must successfully complete the Training System. The fee for a new manager to attend the Training System is \$2,500 per person.

The classroom portion of the Training System will be held in Charlotte, North Carolina, a certified training store, or at such other location(s) as we may designate in our sole discretion. You will need to arrange for transportation, food, and lodging for you and your designated attendees. The costs you incur will depend on the distance you must travel and the type of accommodations you choose. The Training System is currently offered as needed by each particular franchisee, although we reserve the right to set a Training System schedule in the future.

You must complete the Training System no more than eight weeks and no less than one week prior to the opening of your Restaurant.

In addition to the Training System, you must ensure that all of your employees are trained in our procedures. You are solely responsible for hiring and training your employees. You must also ensure that the manager(s) and all employees whose duties include customer service are able to read and write English fluently and any other language that may be required to meet the public needs in your Restaurant. We believe training is important to the success of the Restaurant System, and from time to time, we may offer formal and informal training sessions to franchisees. You must attend, and you should require your employees to attend, any such training sessions. You must purchase any online, DVD or streaming training programs that we may make available to you from time to time. In order for your employees to operate these programs, you must purchase and make available a computer to present these training courses in your Restaurant.

We may hold mandatory refresher or additional training programs, conferences and seminars. Your attendance at these programs is mandatory. To help us defray the cost of sponsoring these programs, there may be a nominal registration fee, and you will be required to pay the cost of transportation, food, lodging, and other personal expenses of your attendance and those of your

personnel at any such program. These programs will be held at locations within the United States that we will specify in our sole discretion.

The summary of total training days does not include travel days. Depending on where you are traveling from, you may be required to arrange for additional time to travel to and from our training program location.

## **Item 12 TERRITORY**

### **Franchise Agreement**

You will operate the Restaurant within a specific Franchise Territory that we first must accept. We will describe the Franchise Territory in the Franchise Agreement before you sign it. The Franchise Territory will be different for each Restaurant. The Franchise Territory may be a geographic area, an airport terminal, train station, stadium, etc., or the four walls of your Restaurant.

We will give you the right to operate a Restaurant at the single specific Premises identified in the Franchise Agreement. Except as described below under “Development Agreement Rider”, you have no options, rights of first refusal, or similar rights to acquire additional franchises within the Franchise Territory or in contiguous territories. You may not operate the Restaurant at any location other than the Premises and you may not relocate your Restaurant without our prior written consent. Our consent may be conditioned upon, among other things, your deposit with us of \$5,000 as a Relocation Fee. The Relocation Fee is intended to cover our administrative expenses associated with reviewing and administering your proposed relocation. If we approve your relocation, we will retain the entire Relocation Fee. If we disapprove your proposed relocation, we will return the Relocation Fee minus our reasonable costs and expenses in reviewing the proposed relocation.

If no Premises has been designated at the time you sign the Franchise Agreement, your Franchise Agreement will outline a geographic area in which your Restaurant will be located (the “***Site Selection Area***”). When you have formally secured the Premises in the Site Selection Area, the Site Selection Area becomes null and void and your Franchise Agreement will be updated with the address of the Premises and your rights will be limited to the Franchise Territory. During the Opening Deadline Period (which is the one-year period following the date that we sign the Franchise Agreement), you must obtain our approval of the Premises for your Restaurant, execute a Lease for the approved Premises, and open the Restaurant for business or we, at our option, may terminate the Franchise Agreement.

If your right to the location of your Restaurant expires or is terminated for any reason, then your right to operate your Restaurant shall be simultaneously terminated. If your Franchise Agreement is terminated we do not have an obligation to replace your Restaurant, to offer you another Restaurant, or to pay you any compensation.

We and our affiliates retain certain rights within and outside the Franchise Territory, as described below in this Item. Therefore, you will not receive an exclusive territory. You may face

competition from other Restaurant franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as limited below, as long as you are in full compliance with the Franchise Agreement, the Development Agreement Rider, if applicable, and any other franchise agreement or development agreement rider between you and your Affiliates, on one hand and Franchisor and its Affiliates, on the other, we and our Affiliates will not operate, or license others to operate another Restaurant at a location in the Franchise Territory. Your rights in the Franchise Territory do not limit the operation of Restaurants that are under construction or in operation in the Franchise Territory as of the effective date of the Franchise Agreement.

We (for ourself and our Affiliates and designees) retain all rights with respect to the Marks, the System, all Confidential Information, all copyrights and copyrighted materials and the sale of Restaurants products or other related products anywhere in the world, including the right to:

(1) operate (and license others to operate) any type of business other than a Restaurant at any location inside or outside the Franchise Territory;

(2) provide, offer and sell (and license others to provide, offer and sell) products and services that are identical or similar to and/or competitive with those provided at or from Restaurants, whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the Internet or similar electronic media, any other form of electronic commerce and supermarkets) both inside and outside the Franchise Territory;

(3) operate (and license others to operate) Restaurants located anywhere outside the Franchise Territory regardless of proximity to Franchisee's Restaurants;

(4) acquire the assets and/or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Franchise Territory);

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services the same as or similar to those provided at Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Franchise Territory;

(6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Franchise Territory; and

(7) open or allow others to open Restaurants in Special Locations inside or outside the Site Selection Area, Area, and/or Franchise Territory.

For purposes of this Disclosure Document, Franchise Agreement and Development Agreement



Rider, a “Special Location” means a ghost/virtual kitchen and any other site that generates customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, without limitation, a shopping mall, an airport, a train station, a bus terminal, a travel plaza, a toll road, a major industrial or office complex, a hotel or resort, a school, a campus, an educational facility, a hospital, a military base, a state or national park, a casino, a stadium or sports and entertainment venue, and an amusement park.

We may exercise any of the retained rights without compensating you. Although we have the right to do so (as described above), neither we nor an affiliate currently operates, franchises, or has present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell in the Restaurant.

You may not market the Restaurant or use the Marks on the Internet without our prior authorization and then only in the manner prescribed by us.

Continuation of your franchise and your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency.

### **Development Agreement Rider**

You may (if you qualify) develop and operate a number of Restaurants within the Area. We and you will identify the Area in the Development Agreement Rider before signing it. The Area typically is a city, cities, or counties. We base the Area’s size primarily on the number of Restaurants you agree to develop, population, per person or family income, current and potential development, your financial strength, and certain other related factors. We and you will negotiate the number of Restaurants you must develop to keep your development rights and the dates by which you must develop them, although you must develop and open and operate at least three Restaurants under the Development Agreement Rider. We and you then will complete the schedule in the Development Agreement Rider before signing it. While the Development Agreement Rider is in effect, we (and our affiliates) will not establish or operate, or grant to others the right to establish or operate, other Restaurants the physical premises of which are located within the Area. There are no other restrictions on us (or our affiliates). You must not develop or operate Restaurants outside the Area. We may terminate the Development Agreement Rider if you do not satisfy your development obligations when required. In addition, if you fail to comply with the terms of the Development Agreement Rider during its term, we may, at our option, elect to terminate only the exclusivity of the Area instead of terminating the Development Agreement Rider entirely. This means that during the remainder of the term of the Development Agreement Rider, we and our affiliates will have the right to establish and operate, and grant to others the right to establish and operate, Restaurants the physical premises of which are located within the Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Area without any restrictions. However, our termination of the exclusivity will be without prejudice to our right to later terminate the Development Agreement Rider for the same default or any other defaults under the Development Agreement Rider.

Except for our control of social media accounts, we generally do not restrict the persons you solicit, or the methods by which you promote the Restaurant. However, if you utilize any form of

direct advertising directed at defined prospective customers, the advertising may be directed only to customers located within your Area. We do not limit customers from outside your Area from ordering food or products from your Restaurant.

If the Development Agreement Rider expires or terminates, but one or more of your Franchise Agreements remains in effect, we may not establish or grant any franchise to a third party for the establishment of a Restaurant within the Franchise Territory.

Despite the development schedule under the Development Agreement Rider, we may delay your development of additional Restaurants within the Area for the time period we deem best if we believe, when you apply for the next Restaurant, that you are not yet operationally, managerially, or otherwise prepared (due to the particular amount of time that has elapsed since you developed and opened your most recent Restaurant) to develop, open and/or operate the additional Restaurant according to our standards and specifications. We may delay additional development as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the development schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, we may not alter your Area during the Development Agreement Rider's term.

Provided that you have substantially complied with the terms of the Development Agreement Rider, including satisfaction of the development schedule, you satisfy our then current financial criteria for franchisees, and no event of default relating to any monetary obligations owed to us or our Affiliates under the Development Agreement Rider, any franchise agreement or any other agreement between you or any of your Affiliates and us or any of our Affiliates has (A) occurred and is continuing; or (B) occurred during the 12 months preceding your request for consent, whether or not such event of default was cured or curable, you will have a right of first offer ("**ROFO**") to develop Restaurants within the Area after the expiration of the Development Agreement Rider and through the one year anniversary of the expiration of the Development Agreement Rider ("**ROFO Period**"); provided that this right will not prohibit us from exercising any of our reserved rights under the Development Agreement Rider during the ROFO Period.



Except for the ROFO described above, you have no options, rights of first refusal, or similar rights to acquire additional franchises or additional development territories beyond the development rights granted to you in the Area during the term of the Development Agreement Rider.

### **Item 13 TRADEMARKS**

You may use certain Marks in operating the Restaurant. Master Licensor's affiliate, BBP, LLC, has registered the following Marks with the United States Patent and Trademark Office on the Principal register:

Mark	Registration No.	Registration Date
BOBBY'S BURGERS	6591869	December 14, 2021
CRUNCHBURGER	3547499	December 16, 2008
CRUNCHIFIED	3652223	July 7, 2009

BBP, LLC has pending applications with the United States Patent and Trademark Office for the following Marks:

Mark	Serial No.	Application Date
	90550240	February 26, 2021
	90645508	April 14, 2021
BOBBY'S BURGERS BY BOBBY FLAY	90550255	February 26, 2021
	90550229	February 26, 2021

On August 2, 2022, we entered into the MLA with Master Licensor that grants us the exclusive right and license, to develop, operate, and grant franchises to qualified third parties using the Confidential Information, Marks and System throughout the world. The term of the MLA is 10 years with us having the right, subject to Master Licensor's approval, not to be unreasonably withheld and provided that we are not in default of the MLA at the time we seek renewal, for 2 additional 10-year terms. It is terminable upon a default of the MLA but includes provisions that a termination of the MLA will not impact your right to continue utilizing the Marks, Confidential Information, and System subject to your compliance with your Franchise Agreement.

BBP, LLC does not have a federal registration for some of its principal Marks. Therefore, those Marks do not have as many legal benefits and rights as a federally registered trademark. If Master Licensor's affiliate, BBP, LLC's, or our right to use those Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

BBP, LLC has informed us that once registered, all affidavits of use required to be filed to maintain registrations of the Marks will be filed.

Except as described above, no agreements limit our right to use or license the use of the Marks. You must follow our rules when you use our Marks. Use of the Marks must be accompanied by the registration, service mark (<sup>SM</sup>), or trademark (<sup>TM</sup>) in close proximity to the trademark. You cannot use the Marks as part of your corporate, partnership, Limited Liability Company or other entity name. You may not use our trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not directly or indirectly contest or aid in contesting the validity of the trademarks or the ownership of the trademarks by us, nor may you directly or indirectly apply to register or otherwise seek to use or control our trademarks or any confusingly similar variation or form, nor may you assist any others to do so. You must modify or discontinue the use of a Mark if we modify or discontinue it, at your sole cost.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any of our trademarks, or any claim by any person of any rights in any of our trademarks. You must not communicate with any person other than us and our legal counsel in connection with any such infringement, challenge, or claim. We or BB License, LLC will have the sole discretion to take such action, as we may deem appropriate to protect our trademarks and the exclusive right to control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge, or claim or otherwise relating to our trademarks. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims, but indicates we have the sole discretion to take such action as we may deem appropriate. You must execute such documents, render such assistance, and do such acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, or to otherwise protect and maintain our interests in our trademarks.

The Franchise Agreement requires that we indemnify and hold you harmless for, from and against any and all claims, liabilities, causes of action, demands, obligations, costs and expenses, including reasonable attorneys' fees, arising out of any claim of infringement or unfair competition in connection with your use of our trademarks, provided that such use is in accordance with the provisions of the Franchise Agreement.

We and/or BB License, LLC may, in our sole discretion, modify or discontinue use of any of the above- referenced trademarks and/or use one or more additional or substitute service marks or trademarks. If we decide to do so, you must do so also, at your own expense. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue using a trademark.

We are not aware of any pending or threatened litigation regarding the Marks.

Except as described above, we do not know of any superior prior rights or infringing uses or effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of this state or of any court, nor do we know of any pending infringement, opposition or cancellation proceeding that could materially affect your use of our trademark. We do not know of any pending material federal or state court litigation regarding our use or ownership rights in the above registered trademarks or pending applications.

**Item 14**  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We own or have been licensed the right to use proprietary information and rights in numerous items, such as menu formats, advertising designs, processes, techniques, formulae for Bobby's Burgers by Bobby Flay recipes, formulas, and other information contained in the Confidential Operations Manual and related documents. In connection with the operation of the franchise, we may disclose to you certain information in which we claim proprietary rights. In addition, although we have not yet registered the copyright with the U.S. Copyright Office, the Confidential Operations Manual is protected against unauthorized copying under U.S. Copyright laws for 100 years from the date of creation or 75 years from the date of publication, whichever is shorter. You must use the proprietary information only in the manner required by us and in no other manner. This information is strictly confidential and you may not disclose it to any person, or use any of that information for any purpose, except disclosure to a person who has signed and delivered to us a confidentiality agreement, and you may only use this information as necessary in connection with the operation of your Restaurant. In addition, you must fully and strictly comply with all security measures required by us for maintaining the confidentiality of all information designated by us as trade secrets.

Franchisor does not own or license any patents that are material to the operation of Restaurants. No other agreements limit our right to use or license the use of our statutory copyright of the Confidential Operations Manual.

We do not know of any current material determinations of the United States Patent and Trademark Office, United States Copyright Office, or of any court, nor do we know of any effective determinations or any material proceedings pending in the United States Patent and Trademark Office or of any court regarding the patent application. We do not know of any patent or copyright infringement that could materially affect the franchisee.

If you or your Principals, officers, managers, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, recipes, formulae, products, advertising and promotional materials, packaging or other concepts and features relating to store operations, business practices, or the manufacturing, production, marketing or sale of menu items, they will be deemed works- made-for-hire and you or your Principals will be deemed to have assigned all of your or their rights, title and interest in the Innovations, including any intellectual property rights, to us. You and your Principals, officers, managers and employees also must cooperate with us in connection with protecting the Innovations.

You will not have the exclusive right to use our proprietary information, nor will you acquire, by use or otherwise, any right, title or interest in or to the proprietary information other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use our proprietary information is limited and temporary. Upon expiration or termination or abandonment of the Franchise Agreement or your Restaurant, you may not, directly or indirectly, use our proprietary information in any manner or for any purpose whatsoever.

You must immediately notify us and/or our affiliates of any conduct that could constitute infringement of or challenge to our proprietary information. We will decide, in our sole

discretion, whether to institute any action in connection with infringement of or challenge to our proprietary information, and will control all proceedings and litigation. The Franchise Agreement does not require us to take affirmative action when notified of infringement, but indicates we have the sole discretion to take such action as we may deem appropriate. We are not required to protect your right to use the proprietary information. As indicated in the Franchise Agreement, we will indemnify you for all damages for which you are held liable in any lawsuit arising out of your proper use of our proprietary information in compliance with the Franchise Agreement. You will be required to provide reasonable assistance to us, at our cost, in connection with our defense of any such claims.

We may, in our sole discretion, modify or discontinue use of our proprietary information and/or use other information and/or rights in its place. If we decide to do so, you must do so at your expense. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue use of our proprietary information. However, if we require you to modify or discontinue use of our proprietary information and/or use other information and/or rights in its place at any time other than upon renewal of the Franchise Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the proprietary information infringed upon a third party's rights, we will bear the cost of those modifications or discontinuances.

Each principal of the franchisee shall be bound by the confidentiality and non-competition provisions of this Agreement and shall sign each agreement we require to confirm such obligations. Each manager and employee of Franchisee who attends the Training System or who is subsequently trained by the Franchisee or its manager is and will be bound by the confidentiality provisions included in the Confidential Operations Manual and shall be required to execute a standard Non-Disclosure Agreement. As a franchisee, you will be required to obtain the signature of your employees on the Employee's Confidentiality Agreement. If you fail to obtain the signature of any employee who learns confidential information, you will be responsible for all costs and expenses incurred by us in enforcing the Employee's Confidentiality Agreement and its terms upon said employees.

#### **Item 15**

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

You may sign the Franchise Agreement individually, or as a corporation, partnership or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies, or any other legal entities. If you sign the Franchise Agreement individually you must meet the qualifications of an Operating Principal. If Franchisee is a corporation, partnership, or limited liability company, you must designate an individual to serve as your Operating Principal. The Operating Principal must meet the following qualifications:

- Devote full time and best efforts to the supervision and conduct of the Restaurants which you developed and operate.
- Successfully complete the Training System.

- Own a majority of the equity interest in your corporation or limited liability company during the entire period he serves as Operating Principal.
- Execute the Franchise Agreement and be individually bound by all your obligations under those agreements.
- Be approved by us.

If an Operating Principal is unable or elects not to continue to meet their obligations as Operating Principal, or if, in our sole discretion, an Operating Principal no longer qualifies to act as such, you must promptly designate another Operating Principal. The same individual may serve as your Operating Principal and of all or any of the franchised Restaurants controlled by you.

You must take such precautions as we deem necessary to ensure that your Operating Principal maintains confidentiality of the information described in Item 14 and conforms with the covenants not to compete described in Item 17.

Your Restaurants must at all times be under the direct, on premises supervision of a manager who has satisfactorily completed our Training System. You must also maintain a competent, conscientious, trained staff, including a fully-trained manager, co-managers or staff as may be necessary to properly operate your Restaurants. We impose no limitations as to whom you may hire as the Restaurant managers except with respect to the Operating Principal, and except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager). We will not have an employment, special employment, or joint employment relationship with your owners, members, shareholders, managers, employees, agents, and contractors. You are fully responsible for the acts and omissions of your employees and managers.

The Operating Principal, manager and other employees may also be required to enter into an agreement not to compete with Restaurants under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. See Item 17 for a description of these obligations.

Each individual who owns an interest in your corporation or limited liability company must sign the Franchise Agreement in their individual capacity and a guaranty agreeing to be bound by all the terms and conditions of the Franchise Agreement including any amendments and to unconditionally guarantee the payment of all liabilities incurred by you, as Franchisee, at any time and must sign as additional signatories the Franchise Agreement.

## **Item 16**

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

You must offer and sell all products and services which are part of the Bobby's Burgers by Bobby Flay System, and all services and products we incorporate into the Bobby's Burgers by Bobby Flay System in the future. You may not use the Marks for any other business. You must use the Premises solely for the operation of a Restaurant and keep it open and in normal

operation for such minimum hours and days as we may periodically specify or approve in writing. You must not use, or permit the use of, the Premises for any other purpose or activity at any time without first obtaining our written consent.

You must meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. To ensure that the highest degree of quality, cleanliness, appearance and service is maintained, you must operate the Restaurant in strict conformity with such methods, standards, and specifications as we may periodically require in the Manual or otherwise in writing. You must also maintain in sufficient supply and use at all times only such ingredients, products, materials, supplies, and packaging as conform to our standards and specifications, and you must not deviate from those standards and specifications by the use or offer of non-conforming items, without our prior written consent.

You must sell, or offer for sale only such items, products and services as we have expressly approved for sale in writing. You must sell, or offer for sale, all items, products, and services specified by us, and you must not deviate from our standards and specifications without our prior written consent. You must discontinue selling and offering for sale any items, products or services, which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized menu items, goods and services, and there are no limits on our rights to make changes.

You must offer all services that we may require including, all System Promotions, contests and other System services and activities.

You must operate the franchised Restaurant in strict conformity with all applicable federal, state and local laws, ordinances and regulations. Such laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances and regulations applicable to the then-current implementation or integration of them.

For a description of your restrictions on some purchases, see Item 8 of this Disclosure Document.

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**Item 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE**  
**FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
a. Length of the Term of the Franchise	15(a)	N/A	The initial Term of the Franchise Agreement is 10 years.  Term of Development Agreement Rider depends on development obligations.
b. Renewal or extension of the Term	15(b)	N/A	At the expiration of the Term, you may with our approval and consent renew the Franchise Agreement for two consecutive five year terms.  No renewal or extension of Development Agreement Rider.
c. Requirements for you to renew or extend	15(b)	N/A	At the time of each renewal, Franchisee, if not in breach of any agreement with Franchisor: must notify Franchisor in writing of its intention to renew at least six months (but not more than 12 months) before the end of each then current Term (Initial or Renewal), and at its expense, remodel and update the Restaurant to Franchisor's then current standards. In addition, Franchisee must sign the form of franchise agreement then being signed by new franchisees and will be subject to the terms of that franchise agreement, which may include materially different terms and conditions from the original franchise agreement, other than the Term, which will be five years and also must sign a general release of Franchisor and its Affiliates, in the form that Franchisor may require, as well as attend any training programs or refresher courses that Franchisor requires.

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
d. Termination by you	16	N/A	Upon the material default by Franchisor of one or more provisions of this Franchise Agreement if the Franchisee provides written notice of the default to Franchisor along with no less than 60 days to cure the default. If the default outlined in Franchisee's notice of default cannot be cured within 60 days and Franchisor is making commercially reasonable efforts to cure the default, the cure period shall be extended for an additional 60 days. Franchisee may terminate the franchise agreement under any grounds permitted by law.
e. Termination by us without cause	Not Applicable	N/A	
f. Termination by us with cause	17	8	We may terminate your franchise (and development rights) only if you or your owners commit one of several violations

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
g. “Cause” defined— defaults that can be cured	17(b)	N/A	Franchisee is in material default, and Franchisor may terminate this Agreement and/or seek an injunction, monetary damages, and/or other relief, in Franchisor’s sole discretion, upon the occurrence of any “Events of Default,” each of which, individually, constitutes “good cause” for termination, if Franchisee does not cure monetary defaults within 10 days, insufficient working capital within 30 days, impermissible transfer within 30 days, incomplete training requirements, or other obligations within 30 days.
h. “Cause” defined— defaults that cannot be cured	17(a)	8	<p>Franchisee is in material default, and Franchisor may terminate this Agreement and/or seek an injunction, monetary damages, and/or other relief, in Franchisor’s sole discretion, upon the occurrence of any “Events of Default,” each of which, individually, constitutes “good cause” for termination.</p> <p>We may terminate the Development Agreement Rider if you do not meet development schedule or other obligations; if the Franchise Agreement or any other franchise agreement between us and you (or your affiliated entity) is terminated by us for cause or by you for any or no reason; or we have delivered formal notice of default to you (or your affiliated entity) under the Franchise Agreement or another franchise agreement (whether or not default is cured). A termination of the Development Agreement Rider is not deemed to be the termination of any franchise rights granted under any then-effective individual franchise agreements.</p>
i. Your obligations on termination/non-renewal	18	N/A	<p>Franchisee must:</p> <ol style="list-style-type: none"> <li>1. Forfeit all fees paid and promptly return to Franchisor Franchisor’s Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information); Franchisor may</li> </ol>

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
			<p>enter the Premises of your Restaurant and recover Franchisor’s Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information);</p> <p>2. Comply with each and every of the covenants that survive termination set forth in <u>Section 12</u> of the Franchise Agreement.</p> <p>3. Immediately (a) cease using the Marks, the Copyrights, the Innovations and the Confidential Information, (b) cancel all assumed names or equivalent business registrations relating to the use of the Marks, (c) notify the telephone company and all listing agencies of the termination of Franchisee’s right to use the Marks and, if requested by Franchisor, of Franchisee’s assignment of Franchisee’s telephone numbers to Franchisor, (d) not, directly, or indirectly, identify himself with Franchisor or the Marks and (e) if requested by Franchisor or the Landlord, renovate the Premises of your Restaurant to eliminate the Marks and de-identify such Premises to remove all Trade Dress, returning it to a “vanilla shell,” at Franchisee’s expense;</p> <p>4. Pay to Franchisor, within 10 days of expiration or termination of this Agreement, all amounts outstanding to Franchisor or its Affiliates from Franchisee or their Affiliates;</p> <p>In addition, Franchisor may, but will not be obligated to, purchase, or have its designee purchase and Franchisee shall be obligated to sell to Franchisor: all, or any portion of, Franchisee’s signage and menu boards, equipment and other tangible assets of your Restaurant for an amount equal to the Value (as defined in the Franchise Agreement).</p>

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
			In addition, Franchisor, or its designee, may, but will not be obligated to, pursuant to the Franchisor Lease Addendum, assume Franchisee's future obligations under the Lease and continue the operations of Franchisee's Restaurants in Franchisor's, or its designee's, name.
j. Assignment of contract by us	14(a)	N/A	No restriction on our right to assign; we may assign without your approval
k. "Transfer" by you — definition	14(b)	N/A	Any transfer of an equity interest in Franchisee or transfer of some or all of the assets of Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer.
l. Our approval of transfer by franchise owner	14(e)	10	We are willing to allow you to transfer your Restaurant to a new franchisee if they meet our then current standards for new franchisees and you comply with our requirements for transferring your Restaurant.  Your development rights under the Development Agreement Rider are not assignable at all.
m. Conditions for our approval of transfer	14(f)	N/A	The prospective Transferee must satisfy our then- current qualifications for franchisees; establish that the financial or other terms of the transfer will not adversely impact upon the Transferee's operation of the Restaurant; Franchisee (or their Principals, officers, managers or employees) or the Transferee (if they are an existing franchisee of Franchisor) must not be in breach of, or default under this Agreement; payment of a Transfer Fee.

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
n. Our option to purchase your business	14(d)	N/A	Within 30 days after Franchisor's receipt of all of the Required Materials, Franchisor will notify Franchisee that the Franchisor desires to purchase Franchise rights under this Agreement, upon the same terms and conditions as are offered by the Transferee, the transfer is approved or disapproved, at Franchisor's election.
o. Your death or disability	14(h)	N/A	Franchisee or their legal representative must, within 90 days after Franchisee's death, disability, or dissolution of marriage, transfer the Restaurant to a person or entity approved by Franchisor.
p. Non-competition covenants during the term of the franchise	13	N/A	Franchisee may not, during the term of the Agreement directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business, restaurant, kiosk, or food truck offering burgers and fries subject to applicable state law.
q. Non-competition covenants after the Franchise Agreement is terminated or expires	13	N/A	Franchisee may not, during the term of the Agreement and for the one-year period after the expiration or termination of this Agreement, in a defined geographic area, for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business, restaurant, kiosk, or food truck offering burgers and fries subject to applicable state law.
r. Modification of the Agreement	25	N/A	Franchisor may modify and amend Franchisor's Confidential Operations Manual and to issue rules, regulations, instructions, policies and procedures for the conduct of Restaurants from time to time, in its sole discretion, without obtaining the consent or approval of Franchisee.  Other than through the modification and/or amendment of the Confidential Operations Manual, no amendment, modification or waiver of any condition, provision or term of the Franchise Agreement or Development

Provision	Section in Franchise Agreement	Section in Development Agreement Rider	Summary
			Agreement Rider will be valid or of any effect unless made in a writing.
s. Integration/merger clause	27	N/A	Only the terms of the Franchise Agreement or Development Agreement Rider are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
t. Dispute resolution by arbitration or mediation	30	N/A	Any controversy or dispute that arises between the parties related in any way to this Agreement or the relationship between the parties must be submitted to non-binding mediation before an action may be brought in a court of competent jurisdiction or in arbitration (subject to applicable state law).
u. Choice of forum	30(c)	N/A	Except as prohibited by state franchise law, litigation must be in jurisdiction where our principal offices are located (subject to applicable state law).
v. Choice of law	30(b)	N/A	Except to the extent governed by the U.S. trademark laws or the franchise laws of any state, North Carolina law applies (subject to state law).

### Item 18 PUBLIC FIGURES

Bobby Flay is a celebrity chef. While we do not directly provide Mr. Flay with any compensation or other benefits arising from the use of his name or likeness in the franchise name or symbol, or from his endorsement or recommendation of the franchise to prospective franchisees, Mr. Flay may benefit, directly or indirectly, from the license fees that we will pay to Master Licensor pursuant to the MLA (See [Item 13](#)).

Mr. Flay will be involved in menu development, product research and development, and System public relations. Mr. Flay does not own any interest in us, and is not involved in the management or control of us.

**Item 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 Michael McGill, President, Intelligration Capital BB, LLC, 2115 Rexford Road, Suite 530, Charlotte, NC 28211, and 803-753-4764, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**Systemwide Outlet Summary For**  
**years 2020 to 2022**

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets at the Start of the Year</b>	<b>Column 4 Outlets at the End of the Year</b>	<b>Column 5 Net Change</b>
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

\*There are six unaffiliated licensed Bobby’s Burgers by Bobby Flay restaurants, three of which opened in 2021, two of which opened in 2022, and one of which opened in 2023. Three licensed restaurants are in Las Vegas, NV, one licensed restaurant is at Yankee Stadium in New York, New York, one licensed restaurant in in Atlantic City, New Jersey, and one licensed restaurant is in New Orleans, Louisiana.



**Table 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All states	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

**Table 3**  
**Status of Franchised Outlets**  
**For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

\* There are six unaffiliated licensed Bobby’s Burgers by Bobby Flay restaurants, three of which opened in 2021, two of which opened in 2022, and one of which opened in 2023. Three licensed restaurants are in Las Vegas, NV, one licensed restaurant is at Yankee Stadium in New York, New York, one licensed restaurant in in Atlantic City, New Jersey, and one licensed restaurant is in New Orleans, Louisiana.

**Table 4**  
**Status of Affiliate owned Outlets**  
**For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

**Table 5**  
**Projected Openings as of December 31, 2022**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
All States	0	0	0
Total	0	0	0

The above tables provide information about the Restaurants in our franchise system. As described in Item 1 above, on August 2, 2022, we entered into the MLA with Master Licensor that grants us the exclusive right and license to develop, operate, and grant franchises to qualified third parties using the Confidential Information, Marks and System throughout the world. For that reason, there are no Restaurants in the United States other than those in our franchise system.

As of the date of this Disclosure Document, and as currently reflected in Exhibit L attached, we do not have any franchisees operating Restaurants or former franchisees that have departed our franchise network during our prior fiscal year. Therefore, no franchisees had an outlet terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement, during our last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document’s issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees may be required to sign provisions restricting their ability to speak openly about their experience with the Bobby’s Burgers by Bobby Flay System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

If you are purchasing a company-owned outlet from one of our affiliates that was previously owned by a franchisee but is now owned and operated by our affiliate, or us we will provide you with an addendum to this Disclosure Document disclosing additional information for that outlet.

There are no trademark-specific franchisee organizations associated with the franchise system being offered under this Disclosure Document that have been created, sponsored, or endorsed by us.

**Item 21**  
**FINANCIAL STATEMENTS**

Exhibit J contains (i) our audited financial statements, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, and cash flows for the period January 10, 2022 (inception date) through December 31, 2022, and the related notes to the financial statements, and (ii) Master Licensor’s audited financial statements, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, and cash flows

for the period December 30, 2021 (inception date) through December 31, 2022, and the related notes to the financial statements. Because we have not been in existence for at least three years, we do not have available and cannot yet include in this Disclosure Document three full years of audited financial statements.

**Item 22  
CONTRACTS**

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following and identified as Exhibits:

Exhibit	Agreement
C	Franchise Agreement
D	Development Agreement Rider
E	EFT Preauthorization
F	Form of General Release
G	Franchisor Lease Addendum
I	State Specific Disclosures and Addendums to Franchise Agreement
K	Franchisee Questionnaire
N	Receipts

**Item 23  
RECEIPTS**

Exhibit M to this Disclosure Document is a detachable receipt. You are to keep one copy and return the other copy to us.

## Exhibit A

### List of State Administrators

#### **CALIFORNIA:**

Department of Financial  
Protection and Innovation  
(866) 275-2677

##### **Los Angeles**

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

##### **Sacramento**

2101 Arena Boulevard  
Sacramento, CA 95834  
(916) 576-4941

##### **San Diego**

1455 Frazee Road, Suite 315  
San Diego, CA 92108  
(619) 610-2093

##### **San Francisco**

One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 972-8565

#### **HAWAII:**

Commissioner of Securities  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

#### **ILLINOIS:**

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

#### **INDIANA:**

Securities Commissioner  
Securities Division, Room E-111  
302 West Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

#### **MARYLAND:**

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

#### **MICHIGAN:**

Chad Canfield  
Franchise Administrator  
Antitrust and Franchise Unit  
Consumer Protection Division  
Department of Attorney  
General 670 Law Building  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 335-7567

#### **MINNESOTA:**

Commissioner Department of  
Commerce  
85 7<sup>th</sup> Place East, Suite #280  
St. Paul, MN 55101  
(651) 539-1500

#### **NEW YORK:**

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8222

#### **NORTH DAKOTA:**

North Dakota Securities  
Department  
State Capitol, 14<sup>th</sup> Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505-0510  
(701) 328-2910

#### **OREGON:**

Div. of Finance & Corp.  
Securities  
Department of Consumer &  
Business Services  
350 Winter Street, NE, Room 410  
Salem, OR 97301-3881  
(503) 378-4387

#### **RHODE ISLAND:**

Department of Business  
Regulation  
Securities Division  
Bldg. 69, First Floor  
John O. Pasture Center  
1511 Pontiac Avenue  
Cranston, RI 02920  
(401) 462-9527

#### **SOUTH DAKOTA:**

Franchise Administrator  
Division of Insurance  
Securities Regulation  
124 South Euclid, 2<sup>nd</sup> Floor  
Pierre, SD 57501  
(605) 773-3563

#### **VIRGINIA:**

State Corporation Commission  
Division of Securities & Retail  
Franchising  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9051

#### **WASHINGTON:**

Securities Division  
Department of Financial  
Institutions  
150 Israel Road, SW  
Tumwater, WA 98501  
(360) 902-8760

#### **WISCONSIN:**

Division of Securities  
Department of Financial  
Institutions  
4822 Madison Yards Way,  
North Tower  
Madison, WI 53705  
(608) 266-0448

## Exhibit B

### Franchisor's Agents for Service of Process

**CALIFORNIA:**

Commissioner of Department of Financial  
Protection and Innovation  
2101 Arena Boulevard  
Sacramento, CA 95834

**HAWAII:**

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**ILLINOIS:**

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

**INDIANA:**

Securities Commissioner  
Indiana Secretary of State  
201 State House  
200 W. Washington Street  
Indianapolis, IN 46204

**MARYLAND:**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020

**MICHIGAN:**

Michigan Department of Commerce  
Corporation and Securities Bureau  
6546 Mercantile Way  
Lansing, MI 48910

**MINNESOTA:**

Minnesota Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite #280  
St. Paul, MN 55101-2198

**NEW YORK:**

New York Secretary of State  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, NY 12231-0001

**NORTH DAKOTA:**

Securities Commissioner of North Dakota  
State Capitol, 14<sup>th</sup> Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505

**OREGON:**

Director of the Department of Consumer and  
Business Services  
350 Winter Street, NE, Room 410  
Salem, OR 97301-3881

**RHODE ISLAND:**

Director of Department of Business Registration  
Securities Division  
John O. Pastore Center, Bldg. 69, 1<sup>st</sup> Floor  
1511 Pontiac Avenue  
Cranston, RI 02920

**SOUTH DAKOTA:**

Director  
South Dakota Division of Insurance  
Securities Regulation  
124 S. Euclid, 2<sup>nd</sup> Floor  
Pierre, SD 57501

**VIRGINIA:**

Clerk, Virginia State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**WASHINGTON:**

Director, Securities Division  
Department of Financial Institutions  
150 Israel Road, SW  
Tumwater, WA 98501

**WISCONSIN:**

Wisconsin Commissioner of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, WI 53705

**Exhibit C**  
**Franchise Agreement**

**FRANCHISE AGREEMENT**

**DATED \_\_\_\_\_, \_\_\_\_\_**

**STORE NO. \_\_\_\_\_**

**BOBBY’S BURGERS BY BOBBY FLAY FRANCHISE AGREEMENT  
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- Exhibit 2: Site Selection Area/Premises/Franchise Territory
- Exhibit 3: Nondisclosure and Non-Competition Agreement
- Exhibit 4: Guaranty and Assumption of Obligations

## FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** (“*Agreement*”), dated as of the date stated on the last page of this Agreement (the “*Effective Date*”), by and between INTELLIGRATION CAPITAL BB, LLC, a Delaware limited liability company (“*Franchisor*” or “*we*,” “*us*,” or “*our*”), whose principal business address is 2115 Rexford Road, Suite 530, Charlotte, NC 28211 and the franchisee identified on the last page of this Agreement (“*Franchisee*” or “*you*” or “*yours*”), whose address, phone number are identified on the last page of this Agreement.

### RECITALS

A. BB License LLC, under the Marks (as defined below), has, as a result of significant time, effort and money, originated a comprehensive system for the development, preparation and sale of unique quick-serve burgers and fries restaurants offerings as well as other authorized food and beverages on an eat-in or take out basis in a family friendly setting with contemporary, warm, and lively décor (each location is identified as a “*Restaurant*”);

B. BB License LLC has licensed Franchisor certain intellectual property including trademarks, service marks, commercial symbols (the “*Marks*”) and Confidential Information (defined in Section 12 below) relating to the development, promotion and operation of Restaurants;

C. Restaurants have distinctive business formats, methods, procedures, signage designs, layouts, standards, and specifications, and the Marks, all of which Franchisor may improve, further develop, or otherwise modify at any time and from time to time (the “*System*”);

D. Franchisee desires to obtain a franchise from Franchisor for the right to use the System for operating a Restaurant, and to obtain the benefits and knowledge of the System (the “*Franchise*”);

E. Subject to Franchisee’s compliance with the terms of this Franchise Agreement, Franchisor is willing to grant a Franchise to Franchisee; and

F. Both Franchisor and Franchisee recognize and agree that the restrictions and controls on Franchisee’s operations contained in this Agreement are intended to protect the rights to the Marks and the System and to fulfill Franchisor’s obligation to other franchisees to maintain a high quality of products and services provided under the Marks and System.

### 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. Grant of Franchise. Subject to and in accordance with the terms of this Agreement, Franchisor grants to Franchisee, and Franchisee accepts a Franchise for the right to operate one (1) Bobby’s Burgers by Bobby Flay restaurant (a “*Restaurant*”) at the Premises for

the Initial Term, and to the extent applicable, the Renewal Terms, with the non-exclusive right to use the Marks, the System, and the Confidential Information. Franchisee must conduct the Restaurant under the Marks in a manner consistent with this Agreement, the Confidential Operations Manual and as otherwise directed by Franchisor.

2. Location of the Restaurant.

(a) Franchisee must operate the Restaurant at the location in the Franchise Territory selected by Franchisee identified in Exhibit 2 and approved by Franchisor (the “*Premises*”), which approval will not be unreasonably withheld.

(b) The Franchise Territory will be different for each Restaurant. The Franchise Territory may be a geographic area, an airport terminal, train station, stadium, etc., or the four walls of your Restaurant. Franchisee's Franchise Territory is set forth on Exhibit 2 (the “*Franchise Territory*”). Subject to Section 2(f), as long as you are in full compliance with the Franchise Agreement, the Development Agreement Rider, and any other franchise agreement or development agreement rider between you and your Affiliates, on one hand and Franchisor and its Affiliates, on the other, we and our Affiliates will not operate, or license others to operate another Restaurant at a location in the Franchise Territory.

(c) If you have not identified and we have not approved a Premises (as such term is defined and limited by the Franchise Agreement) for the Restaurant when you sign the Franchise Agreement, then you must, within one (1) year after we sign the Franchise Agreement, obtain our approval of a Premises for your Restaurant within the site selection area set forth on Exhibit 2 (the “*Site Selection Area*”), execute an agreement for the approved Premises, and open the Restaurant for business. Once the Premises is secured, the Franchise Territory will be established and will be identified on Exhibit 2 to this Agreement. Once a Premises has been selected, your rights in the Site Selection Area will terminate and your rights will be limited to the Franchise Territory.

(d) Franchisee acknowledges that Franchisor presently intends to develop Restaurants (including licensed, franchised, and company-owned Restaurants) throughout the United States and internationally and that one or more future Restaurants (including licensed, franchised, and company-owned Restaurants) may have an adverse effect on the revenues and profitability of existing Restaurants, including Franchisee's Restaurants. Franchisee further acknowledges that Franchisor has not made any representation or agreement, or provided Franchisee any assurances that future Restaurants (including licensed, franchised, and company-owned Restaurants) will not adversely affect the revenues and profitability of Franchisee's Restaurants.

(e) Franchisee may not market their Restaurants or use the Marks on the Internet without Franchisor's prior authorization and then only in the manner prescribed by Franchisor.

(f) Notwithstanding anything contained in this Agreement to the contrary, Franchisor (for itself and its Affiliates and designees) retains all rights with respect to the Marks, the System, all Confidential Information, all copyrights and copyrighted materials and the sale of

Restaurants products or other related products anywhere in the world, including the right to: (1) operate (and license others to operate) any type of business other than a Restaurant at any location inside or outside the Franchise Territory; (2) provide, offer and sell (and license others to provide, offer and sell) products and services that are identical or similar to and/or competitive with those provided at or from Restaurants, whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the Internet or similar electronic media, any other form of electronic commerce and supermarkets) both inside and outside the Franchise Territory; (3) operate (and license others to operate) Restaurants located anywhere outside the Franchise Territory regardless of proximity to Franchisee's Restaurants; (4) acquire the assets and/or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Franchise Territory); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services the same as or similar to those provided at Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Franchise Territory; (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Franchise Territory; and (7) open or allow others to open Restaurants in Special Locations inside or outside the Site Selection Area, Area, and/or Franchise Territory.

(g) Your rights in the Franchise Territory do not limit the operation of Restaurants that are under construction or in operation in the Franchise Territory as of the Effective Date of this Agreement.

(h) For purposes of this Agreement, a "***Special Location***" means a ghost/virtual kitchen and any other site that generates customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, without limitation, a shopping mall, an airport, a train station, a bus terminal, a travel plaza, a toll road, a major industrial or office complex, a hotel or resort, a school, a campus, an educational facility, a hospital, a military base, a state or national park, a casino, a stadium or sports and entertainment venue, and an amusement park.

### 3. Training System.

(a) Franchisee (or, if Franchisee is a corporation, partnership, limited liability company or other entity, a Principal) and their managers must attend the training provided by Franchisor (the "***Training System***"). If more than one person signs this Agreement, both or all must satisfactorily complete the Training System. The cost of attendance at the Training System (excluding Franchisee's expenses, such as travel, lodging and meal expenditures in connection with attending Training System, which will be borne by Franchisee) for Franchisee (or a Principal) and one (1) additional person is included in the Initial Franchise Fee (as defined below). Unless otherwise approved by us, the additional person must be your General Manager. However, unless Franchisor determines otherwise, Franchisee will not be entitled to attend the

Training System at Franchisor's expense with respect to Franchisee's (or their Affiliates') second and subsequent franchise agreements, in connection with a relocation, or in connection with a Majority- owned Transfer (as defined below).

(b) Training for more than two (2) people will be provided by Franchisor if Franchisor's policies require more than two (2) people to be trained or if Franchisee requests that additional people be trained (and Franchisor agrees to do so). The cost for additional training is Two Thousand Five Hundred Dollars (\$2,500) per person (excluding Franchisee's expenses, such as travel, lodging and meal expenditures in connection with attending Training System, which will be borne by Franchisee). Training of any additional people may be held at the same time as training of the initial two (2) people, at Franchisor's election.

(c) Franchisee acknowledges that the Training System will include both classroom and "on- the-job" training, as stated in the Franchise Disclosure Document and that Franchisee may be tested and will be evaluated upon, among other things, the results of such tests, whether Franchisee is competent, in Franchisor's sole judgment, in performing the skills necessary to operate the Restaurant, whether Franchisee can speak English fluently, whether Franchisee has an aptitude for the operation of the Restaurant, whether Franchisee is, in Franchisor's sole judgment, a good fit within the System and whether Franchisee's operation of the Restaurant may, in Franchisor's sole judgment, adversely affect the goodwill or reputation of Franchisor, its products, or the Marks.

(d) If Franchisor determines, in its sole judgment, that Franchisee (or, if Franchisee is a corporation, partnership, limited liability company or other entity, its Principals) has not performed satisfactorily on the Training System exams, that Franchisee is not competent in performing the skills necessary to operate the Restaurant, cannot speak English fluently, does not have an aptitude for the operation of the Restaurant, or has otherwise failed to satisfactorily complete the Training System, Franchisor may terminate this Agreement, in which event Franchisee must return to Franchisor all materials delivered to him in connection with the Franchise. If the Franchise Agreement is terminated pursuant to this Section 3(d), the Initial Franchise Fee will not be refunded to Franchisee.

(e) Franchisor may, in its sole discretion, require or permit Franchisee to attend all or certain portions of the Training System again, at Franchisee's expense Two Thousand Five Hundred Dollars (\$2,500) per person (excluding Franchisee's expenses, such as travel, lodging and meal expenditures in connection with attending Training System, which will be borne by Franchisee)).

(f) The individuals participating in the Training System on behalf of Franchisee will not be deemed to be employees of Franchisor or of the owner of any store in which those individuals participate in the Training System, but will be deemed to be employees of Franchisee during all aspects of the Training System.

(g) The Training System may be modified or amended from time to time.

(h) Franchisor may establish additional training programs or refresher courses, which Franchisee will attend, at their expense. Franchisor may impose a charge or fee for Franchisee's failure to attend such programs and courses.

4. Consulting Services.

(a) Telephone. Franchisor will consult with Franchisee by telephone, Monday through Friday 8:00 a.m. to 5:00 p.m. (Charlotte, North Carolina time), with respect to all aspects of starting and operating the Restaurant. Franchisor may, in its sole discretion, and depending upon the geographic proximity between Franchisee and Franchisor, if Franchisor's time permits, provide on-site consultation at Franchisee's request at Franchisor's then-current hourly rate (including consultation and travel time), plus travel, lodging and meal expenditures, at times agreed upon between Franchisee and Franchisor.

(b) On-Premises. Franchisor will provide on-site consultation to you on an as needed basis if you request such assistance from us and pay the fees and expenses ("**On-Premises Consultation Fees**"), in advance, associated with our consultation to you. The On-Premises Consultation Fee is currently Two Hundred Fifty Dollars (\$250) per day plus our actual travel and living expenses.

(c) Assignment. Franchisor may assign some or all of its obligations to Franchisee under this Agreement to third parties provided that such third parties agree, in writing, to comply with the obligations provided herein.

(d) Opening Assistance. We will provide one of our representatives to come to your Restaurant during opening week for up to five (5) days, at our expense, to work with you and/or your manager on opening, operating, and marketing your Restaurant. You may request that our representative assist you for a longer period of time but you will be required to pay us On-Premises Consultation Fees for additional time that our representative spends assisting you in opening your Restaurant.

5. Opening or Relocating Your Restaurant.

(a) Opening Deadline.

(i) Franchisor will, within thirty (30) days after it receives notice of a proposed Premises within the Site Selection Area, and the Additional Materials (as defined below), review and approve, or deny approval of, the Premises. Franchisor will consider the potential customer base, captive audience, the rental costs, competition, traffic patterns, population density and composition, visibility, drive times, trade areas, proximity to other Restaurants and other business factors of the site in determining whether to grant its approval of the site. Franchisor will not unreasonably withhold its approval of the site.

(ii) Franchisor will, within thirty (30) days after it receives a copy of the proposed site lease, license agreement, or concession agreement (the "**Lease**") for the Premises of the Restaurant, review and approve, or deny approval of the Lease, in its sole discretion. Franchisor may require the Lease to contain appropriate provisions, including the



permitted uses of the Premises and the right to permit Franchisor to assume the Lease in the event of Franchisee's breach of or default under the Lease or upon the termination of this Agreement, and may require other revisions to the Lease. Franchisee agrees that a reasonable condition of Franchisor's consent is the Landlord's execution of the Franchisor Lease Addendum (Exhibit G) in a form acceptable to Franchisor.

(iii) Franchisee must provide to Franchisor (a) such other documentation and information regarding the proposed Premises and the proposed Lease that Franchisor may, in its sole discretion, require and (b) current financial statements and such other financial documentation and information regarding Franchisee's (and its Principals') financial condition, that Franchisor may, in its sole discretion, require (all of those materials are referred to as the Additional Materials as defined in Section 5(d)). It is understood and agreed that if Franchisor determines, in its sole discretion, that Franchisee does not have the financial capacity to perform their obligations with respect to the site or the Lease, then Franchisor may deny approval of the site and/or Lease. It is also understood and agreed that that disapproval would be reasonable. In that event, Franchisor (or its Affiliates) may operate a Restaurant at that site or may permit another franchisee to do so. It is further understood that Franchisor may forward the Additional Materials to the property owner, landlord, or property manager ("**Landlord**") involved with the Lease.

(b) Concession Agreements. In some instances, we will secure a Premises pursuant to a lease, license, concession agreement, etc. with a government authority, third party concessionaire, or operator (collectively the "**Concession Agreement**") and make that Premises available to you. You will be obligated to fully comply with the Concession Agreement, which is incorporated by this reference as part of this Agreement. Notwithstanding any other provision of this Agreement, Franchisee shall not, by any act or omission, cause Franchisor to be in violation of or in default under the Concession Agreement, or do or permit, any act that is in violation of the Concession Agreement. Franchisee's failure to comply with the terms of the Concession Agreement shall be a default of this Agreement.

(c) Relocation of your Restaurant. You must request and receive our approval before relocating your Restaurant from the address and Premises originally selected by you and approved by us. At the time you submit a written request to relocate your Restaurant; you must deposit with us Five Thousand Dollars (\$5,000) as a Relocation Fee (the "**Relocation Fee**"). The Relocation Fee is intended to cover our administrative expenses associated with reviewing and administering your proposed relocation. If we approve your relocation, we will retain the entire Relocation Fee. If we disapprove your proposed relocation, we will return the Relocation Fee minus our reasonable costs and expenses in reviewing the proposed relocation.

(d) For purposes of this Agreement, the term "**Additional Materials**" shall mean site plans, demographic information, similar Lease information, and other information requested by Franchisor upon receipt of notice pursuant to Section 5(a)(iii).

## 6. Conduct of Your Restaurant.

(a) Confidential Operations Manual. Franchisor will lend to Franchisee, or make available to Franchisee via electronic means, upon satisfactory completion of the Training

System, one copy of Franchisor's Confidential Operations Manual for use by Franchisee strictly in accordance with the terms of this Agreement during the term of this Agreement. Franchisee must operate their Restaurants in accordance with Franchisor's Confidential Operations Manual, as amended from time to time, which is incorporated into this Agreement by this reference. If there is any disparity between Franchisor's copy of the Confidential Operations Manual and Franchisee's copy, Franchisor's copy will govern.

(b) Franchisor Standards. Franchisee must operate the Restaurant strictly in accordance with the rules, regulations, instructions, policies, and procedures as Franchisor may issue from time to time (the "**Standards**") for the operation of the Restaurant, which includes but is not limited to Franchisor's Confidential Operations Manual.

(c) Required Products.

(i) Franchisee must offer and sell at the Premises of the Restaurant all products and services designated by Franchisor, consistent with Franchisor's Standards. In addition, Franchisee must incorporate into the Restaurant all new recipes, products, and services designated by Franchisor and must fully participate in all local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by Franchisor.

(ii) Franchisee must not offer or sell any products or services at or from the Premises of the Restaurant, or conduct any other business at or from the Premises of the Restaurant, unless Franchisor specifically approves the offering and sale of those products or services, which approval may be withheld by Franchisor, in its sole discretion. In addition, Franchisee may not offer or sell any products or services in any configuration, form or manner (including items for resale) other than that specifically approved by Franchisor.

(iii) Franchisor reserves the right to designate, in its sole discretion, which of its franchisees may, or will be required to, participate in new product or service tests, new or modified product or service offerings and other programs, initiatives and campaigns that Franchisor may develop from time- to-time. If Franchisor designates Franchisee for participation in any such test, offering, program, initiative or campaign, Franchisee must participate when and as required by Franchisor.

(iv) Franchisee must maintain at all times a sufficient supply of all Goods and Materials to meet the demand of Franchisee's customers.

(d) Approved and Designated Suppliers. We have developed and may continue to develop certain proprietary or branded products, including branded food products, recipes, beverages, drinks, and other food products that will be prepared, distributed, and supplied by or for us or our Affiliates according to our proprietary designs, recipes, and menus (collectively "**Proprietary Products**"). We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services and the packaging and delivery of products authorized for sale in Restaurants. You agree that you will: (a) purchase those Proprietary Products only from us, our Affiliates, or a third party designated and licensed by us to prepare and sell such products (collectively "**Designated Suppliers**"); and (b) purchase from manufacturers, distributors, vendors and suppliers approved by us

(collectively “*Approved Suppliers*”) all other food products, beverages, spirits, small wares, paper goods, and supplies (collectively “*Goods*”), as well as equipment, furniture, fixtures, tables, chairs, menus, clothing and related supplies associated with operating a Restaurant (collectively “*Materials*”) that meet the standards and specifications promulgated by us from time to time. We have the right to require that you use only certain brands (collectively “*Approved Brands*”) and to prohibit you from using other brands. We may from time to time modify the list of Approved Brands (including food and beverage products), and you will not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand.

(i) We may from time to time modify the list of Designated Suppliers and/or Approved Suppliers, and you must not, after receipt of notice of such modification, order any Proprietary Products from a supplier who is no longer a Designated Supplier or order any Goods or Materials from a supplier who is no longer an Approved Supplier. We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. We reserve the right to charge Designated Suppliers a license fee for the right to manufacture Proprietary Products for use in Restaurants.

(ii) From time to time, we and our Affiliates may receive payments from suppliers (including Designated Suppliers and Approved Suppliers) on account of such suppliers’ dealings with you and other franchisees, and may use any amounts received without restriction and for any purpose we and our Affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Restaurants or any other group of businesses franchised or operated by us or our Affiliates. Approval of a supplier may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by us.

(iii) If you propose to purchase any Goods or Materials (that you are not required to purchase from us, an Affiliate of ours, or a Designated Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval, or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier’s facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to exceed the reasonable cost of the inspection and the actual cost of the inspection and testing must be paid by you. We will notify you within ninety (90) days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to re- inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the suppliers’ failure to continue to meet any of the foregoing criteria.

(iv) You must, at all times, maintain an inventory of approved Goods and Materials sufficient in quality and variety to realize the full potential of the Restaurant. We may conduct market research and testing to determine consumer trends and the salability of new

products and services. You agree to cooperate in these efforts by participating in our customer surveys and market research programs if requested by us. All customer surveys and market research programs will be at our sole cost and expense or charged to the Brand Fund, unless such survey or program has been approved by you and you have approved its proportionate cost. You must not test any new product or service without first being requested to by us and signing a test letter agreement in a form satisfactory to us.

(v) You must utilize Approved Suppliers of music at your Restaurant. Our Approved Supplier(s) may require you to enter into a license agreement with them and pay them a fee granting you the right to play approved music selections at the Restaurant. Additional ASCAP, BMI or SESAC licenses may also be required.

(vi) We and our Affiliates disclaim all express or implied warranties concerning any Goods, Materials or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability. You acknowledge that we and our Affiliates may, under appropriate circumstances, receive fees, commissions, rebates, Royalty Fees, or other consideration from suppliers based on sales to you and we may use any amounts received without restriction and for any purpose we and our Affiliates deem appropriate.

(e) Technology System. You agree to purchase from us, or an Approved Supplier and use the computer, point of sale system, computers, and telephone systems (collectively the “**Technology System**”) we specify, which includes such data processing equipment, computer hardware and software, and required dedicated telephone and power lines, a 24-hour telephone navigation system with voice messaging capabilities; high speed, always on Internet and/or communications connections, modems, routers, printers and other computer-related accessory or peripheral equipment as we specify in the Confidential Operations Manual or otherwise. All of the foregoing must be able to provide that information to us, in that format/medium, as we reasonably may specify from time to time. You must provide all assistance required by us to connect our systems, intranet. or extranet sites designated by us and maintained by us or our Affiliates to the Technology System. You agree that we have the free and unfettered right to retrieve any data and information from your Technology System as we, in our sole discretion, deem appropriate, including electronically polling the sales and other data of your Restaurant. You must maintain and use an email address that we assign to you.

(i) You acknowledge that Technology Systems are designed to accommodate a finite amount of data and operate with certain performance parameters, and that, as these limits are reached, or as technology or software is developed in the future, we may, in our sole discretion, mandate that you (at your expense): (a) add memory, accessories or peripheral equipment or additional, new or substitute software to the original Technology System purchased by you; and (b) replace or upgrade any element of the Technology System with a larger system capable of assuming and discharging the computer-related tasks and functions specified by us. You acknowledge that computer designs and functions change periodically and that we may desire to make substantial modifications to our Technology Systems or to require installation of entirely different systems during the term of this Agreement. Within sixty (60) days after you receive notice from us, you agree to obtain and install the new or updated

components that we designate. If we install these components for you, you must pay our then-current installation fees and any travel, living and other expenses incurred by our personnel.

(ii) We may, but are not obligated to, offer or provide you, at your expense, a third party, to offer limited help desk to support you with your Technology System at your Restaurant. Although we cannot estimate the future costs of maintaining or upgrading the computer or required service or support, and these costs might not be fully amortizable over the remaining term of this Agreement, you agree to incur the costs of maintaining the computer hardware, software, and/or communications capabilities comprising the Technology System (or additions and modifications) and any required service or support. We or our Affiliates may perform repair services for the Technology System or retain a third-party provider to provide some or all of the service and support for the Technology System for your benefit or the benefit of all Restaurants and you may pay a service or ASP hosting fee. We have no obligation to reimburse you for the Technology System or any other system costs that you incur.

(iii) You agree that we or our Affiliates may condition any license of proprietary software to you, or your use of technology that we or our Affiliates develop or maintain, on your signing a software license agreement or similar document that we or our Affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our Affiliates may charge you a fee for any proprietary software or technology that we or our Affiliates license to you and for other maintenance and support services that we or our Affiliates provide during the term of this Agreement.

(iv) You must obtain a maintenance service contract regarding the Technology System with an Approved Supplier of such services. You must use and maintain the Technology System according to our Standards. You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Technology System; (2) the manner in which your Technology System interfaces with our and any third party's computer system; and (3) any and all consequences if the Technology System is not properly operated, maintained, and upgraded. You may not install any software (including, but not limited to, virus and spam filters and firewalls) other than authorized upgrades, or make any hardware modifications to the Technology System without our express written consent. The rates for required software licenses are subject to change and must be paid as required by such providers. Payments may be collected in advance.

(v) To ensure full operational efficiency and communication capability between our computers and your computer, you agree, at your expense, to keep your computer in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to your computer hardware, software, telephone and power lines and other computer-related facilities as directed by us, and on the dates and within the times specified by us in our sole discretion. Upon termination or expiration of this Agreement, all computer software, disks, tapes and other magnetic storage media must be returned to us in good operating condition, excepting normal wear and tear.

(f) Non-Cash Payment Systems. You must accept debit cards, credit cards, stored value, loyalty cards, gift cards, or other electronic and/or non-cash payment systems

specified by us or as set forth in our Confidential Operations Manual to enable customers to purchase authorized products and services and must obtain all necessary hardware and/or software used in connection with these payment systems. We reserve the right to modify the payment systems that you are required to use including digital payment systems and other systems not yet in existence. You must participate in and honor the terms of any discount, loyalty, or promotional program (including gift card, loyalty, and discount programs that are applicable to the System as a whole, specific markets or certain Restaurants only), that we offer to the public on your behalf and shall be responsible for the fees payable in conjunction with the operation of these programs. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment or services) to participate in any discount or promotional programs.

(g) Integrity and Business Standards. Franchisee must operate the Restaurant with the highest integrity and good business standards, and must use their best efforts to enhance, to the satisfaction of Franchisor, the goodwill associated with the Marks and must not disparage to any person, Franchisor, its employees, representatives or agents, its products, or the Marks.

(h) Specifications. Franchisee must cause the Restaurant to be constructed, equipped, and decorated in strict compliance with Franchisor's requirements and in accordance with Franchisee's plans and specifications, as have been approved by Franchisor. If these requirements, plans and specifications are not followed or if changes were not approved in writing by Franchisor prior to being implemented, Franchisee may not open the Restaurant to the public. Franchisee must engage licensed contractors and architects, who are subject to Franchisor's approval, obtain appropriate construction documents, and all mechanical, plumbing, electrical and architectural plans must be sealed and stamped, as Franchisor may require, even if the local government does not require such measures.

(i) Design Consistency. Franchisee must cause the Restaurant to be consistent in color, design, and style with the standards adopted and approved by Franchisor from time to time. Franchisee must maintain the appearance and atmosphere of the Restaurant and the equipment and Premises used in connection with the Restaurant, in accordance with the standards that Franchisor may adopt from time to time. If Franchisor so requests, Franchisee, at their expense, must remodel and update the Restaurant to Franchisor's then current standards; provided, however, that no such remodeling or updating requirement will be imposed more frequently than every sixty (60) months. Any variations in color, design, style, appearance or atmosphere must be approved in writing by Franchisor.

(j) Uniforms. All personnel employed by Franchisee in connection with the Restaurant must wear a uniform or other clothing approved by Franchisor.

(k) On-Premises Management. Franchisee's Restaurants must be:  
(a) personally supervised by Franchisee, or if Franchisee is an entity, a Principal of Franchisee selected by Franchisee who has satisfactorily completed Franchisor's Training System (the "***Supervising Principal***"); or (b) directly supervised "on-premises" by a General Manager who has been approved by Franchisor and who has satisfactorily completed Franchisor's Training System, unless Franchisor has waived that requirement. If supervised by a General Manager, the General Manager must spend at least forty (40) hours per week on the Premises of the Restaurant

overseeing the operation of the Restaurant. The name of the Supervising Principal or General Manager who will supervise the Restaurant is identified on the signature page of this Agreement. Any changes must be approved by Franchisor.

(l) Required Hours. Franchisee must keep the Restaurant open to the public the greater of: (i) seven (7) days per week and seventy (70) hours per week; and (ii) the hours required by your Lease (all of those requirements are referred to as the “**Required Hours**”). The Required Hours may be waived by Franchisor, in its sole discretion. In addition, Franchisee must keep the Restaurant open during the hours of operation posted on or about the Restaurant or otherwise advertised to the public (the “**Posted Hours**”). If Franchisee fails to keep the Restaurant open during the Required Hours or the Posted Hours, Franchisee must pay Franchisor Two Hundred Fifty Dollars (\$250) per day that Franchisee is not open as required or posted.

(m) Inspections. Franchisor may evaluate and inspect the Premises of the Restaurant (including public and private areas), at all times, with or without prior notice to Franchisee, to verify compliance with the terms and conditions of this Agreement, to confirm whether the quality of service and products is being maintained to Franchisor’s satisfaction and for any other purpose related to this Agreement and the relationship between the parties. If Franchisor believes, in good faith, that any Materials, ingredients, products, supplies, Goods, uniforms, fixtures, signs, furnishing and/or equipment on the Premises of the Restaurant do not comply with Franchisor’s requirements or standards, Franchisor may remove, at no expense to Franchisor, those items. If those items do not comply with Franchisor’s requirements or standards, Franchisor may retain or discard those items, at no expense to Franchisor. Franchisor may photograph or videotape any part of the Premises of the Restaurant, whether or not Franchisee is present. Franchisee will permit Franchisor and its representatives access to the Premises, and will cooperate with Franchisor in any such evaluation or inspection. At Franchisor’s request, Franchisee will purchase and install a video surveillance system to which Franchisor will have remote access to verify compliance with the terms and conditions of this Agreement, to confirm whether the quality of service and products is being maintained to Franchisor’s satisfaction and for any other purpose related to this Agreement and the relationship between the parties.

(n) Communication with Employees and Vendors. Franchisee hereby consents to Franchisor’s (and its representatives’ and agents’) meetings, communications, and solicitations and authorizes their employees, suppliers, vendors, lenders, equipment lessors and customers to provide Franchisor any information and/or documents that Franchisor may request, in its sole discretion. Franchisee expressly waives all rights that Franchisee may have in connection with the disclosure of that information and those documents to Franchisor and its representatives and agents, and the use of that information by Franchisor or its representatives or agents. Franchisee will promptly execute such documents, and take such other and further actions, as Franchisor may request to confirm or effectuate Franchisor’s rights pursuant to this Section 6(n).

(o) Pricing. Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices Franchisee may charge for products and services. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which Franchisee may charge

customers for the products and/or services offered by the Restaurant; recommending retail prices; advertising specific retail prices for some or all products or services sold at the Restaurant; requiring Franchisee to participate in marketing, promotional and related campaigns which may directly or indirectly impact Franchisee's retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which the Restaurant may charge the public for the products and services it offers. Franchisor may engage in any such activity either periodically or throughout the term of this Agreement. Further, Franchisor may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. Franchisee acknowledges that the prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of the Restaurant and Franchisee irrevocably waives any and all claims arising from the establishment or suggestion of the Restaurant's retail prices.

(p) Cooperative Advertising. Franchisee must participate in the cooperative advertising association in their marketing area, as designated by Franchisor, in its sole discretion. Franchisor may change, dissolve or merge any of the cooperative advertising associations. The franchisees within each marketing area will administer the cooperative advertising associations, which may assess a fee for administration or advertising.

(q) Grand Opening. In connection with the grand opening of the Restaurant, Franchisee must conduct a grand opening marketing and advertising campaign in accordance with a plan approved by Franchisor prior to the grand opening. Franchisee shall be required to spend at least Ten Thousand Dollars (\$10,000) on their Grand Opening.

(r) Licenses and Permits. Franchisee must obtain and maintain all licenses and permits required to be held by Franchisee in connection with the operation of the Restaurant. Franchisee must comply with all applicable federal, state and local laws, regulations, rules and ordinances in connection with the conduct of the Restaurant, including health, safety, sanitation, employment, environmental and taxation laws, regulations, rules and ordinances. Franchisee must give Franchisor written notice of Franchisee's receipt of an unsatisfactory or failing health department inspection report within three (3) days after Franchisee's receipt of that report.

(s) Debts. Franchisee must pay when due all debts and obligations incurred by Franchisee in connection with the conduct of the Restaurant, including all applicable tax liabilities.

(t) Insurance. During the term of this Agreement Franchisee must maintain the following categories of insurance coverage in force at Franchisee's sole expense, all containing the minimum liability coverage Franchisor prescribes at any time and from time to time in the Confidential Operations Manual (unless otherwise indicated below):

(1) Broad form comprehensive public liability, general liability, product liability, and contractual liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

(2) All risk or special form coverage on Franchisee's Premises, including boiler and machinery coverage extending to all improvements and alterations, trade



fixture, and business personal property having adequate limits to replace all that is damaged as caused by, or occurring in connection with, the Restaurant's operation;

(3) Business interruption insurance to cover the rent of the Premises, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to Franchisee's Restaurant's operation;

(4) If any vehicle is used in connection with the operation of the Restaurant, motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

(5) If Franchisee will sell or serve alcoholic beverages at or from Franchisee's Restaurant, liquor liability insurance for against claims for bodily injury or death to persons;

(6) Worker's compensation and employer's liability insurance (in amounts authorized by statute), unemployment insurance and state disability insurance (as required by governing law) for Franchisee's employees;

(7) In connection with any construction, refurbishment, and/or remodeling of the Restaurant, builder's and/or contractors insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts acceptable to Franchisor;

(8) Insurance coverage of such type, nature and scope sufficient to satisfy Franchisee's indemnification obligations hereunder;

(9) Umbrella insurance; and

(10) Any additional insurance required by Franchisee's lessor or master lessor.

Franchisee understands that the types and coverage amounts Franchisor prescribes are only minimums, and that Franchisor has not assessed whether, and does not guarantee that, the types and coverage amounts are sufficient for the Restaurant.

Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance, employment practices liability insurance and cybersecurity insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Required coverage shall include insurers' waiver of subrogation against Franchisor and Franchisee shall waive rights of recovery against Franchisor.

These insurance policies must name Franchisor, any Affiliates Franchisor designates, and the Indemnified Parties (as defined in Section 10 below) as additional named insureds for claims arising from the Restaurant's operation and provide for thirty (30) days' prior

written notice to Franchisor of a policy's material modification, cancellation or expiration. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by Franchisor or any other Indemnified Party; must not limit or reduce coverage for Franchisee if there is a claim by Franchisor or any one or more of the other Indemnified Parties; and must extend to and provide indemnity for all of Franchisee's indemnification obligations to Franchisor and the other Indemnified Parties under this Agreement. Franchisee agrees not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend its insurance policies without Franchisor prior written consent. If there is a claim by Franchisor or any one or more of the other Indemnified Parties against Franchisee, Franchisee must, upon Franchisor's request, assign to Franchisor all rights which Franchisee then has or thereafter may have with respect to the claim against the insurer(s) providing the coverages described above.

Franchisee must provide Franchisor with copies of Franchisee's Certificates of Insurance or other evidence Franchisor requires evidencing the required coverages no later than ten (10) days before Franchisee commences operations at the Restaurant. Franchisee must furnish Franchisor, on an annual basis, copies of Franchisee's Certificates of Insurance or other evidence Franchisor requires of Franchisee's maintaining this insurance coverage and paying premiums. Franchisee must furnish Franchisor the original policies evidencing all such insurance coverages within five (5) days of Franchisor's written request. Franchisee agrees to renew all policies and documents, and to furnish Franchisor copies of renewal Certificates of Insurance or other evidence Franchisor requires of Franchisee maintaining this insurance coverage and paying premiums prior to the expiration date of the policy.

If Franchisee fails or refuses to obtain and maintain the insurance Franchisor specifies, in addition to Franchisor's other remedies, Franchisor may (but need not) obtain such insurance for Franchisee and the Restaurant on Franchisee's behalf, in which event Franchisee shall cooperate with Franchisor and reimburse Franchisor for all premiums, costs and expenses Franchisor incurs in obtaining and maintaining the insurance, plus a reasonable fee for Franchisor's time incurred in obtaining such insurance. If Franchisor obtains such insurance for Franchisee and the Restaurant on Franchisee's behalf, Franchisee must furnish all information necessary to obtain and maintain such insurance within fifteen (15) days of Franchisor's request.

(u) Meetings and Conferences. Franchisee (or the Principal(s) of Franchisee if Franchisee is an entity) must attend, at their expense, all meetings, conferences and conference calls of franchisees that Franchisor determines are mandatory for all franchisees, or groups of franchisees (as designated by Franchisor), including national, regional, and local meetings, training, conferences, and conventions. Franchisor may impose a charge or fee for Franchisee's failure to attend such meetings. Franchisor may withdraw the charge or fee for such meetings and conferences directly from Franchisee's bank account prior to the meeting in a manner consistent with Franchisor's policies and procedures.

(v) License to Use Name, Likeness and Voice. Franchisor will be entitled to use the name, likeness and voice of Franchisee and its Principals, officers, managers and employees for purposes of promoting the Franchise, Franchisor and its products, including all photos and audio and video recordings of Franchisee and its Principals, officers, managers and

employees, and Franchisee hereby irrevocably consents thereto. Franchisee acknowledges that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “publicity rights” or the like associated with such photos and audio and video recordings, and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights. At Franchisor’s request, Franchisee will obtain from any or all of its Principals, officers, managers and employees written consent, in such form as Franchisor may request.

(w) Risk Management. Franchisee must implement all procedures recommended by Franchisor to minimize employee theft, food safety, injuries, and losses. Franchisee acknowledges and agrees that employee theft will not relieve Franchisee of their obligation to make all payments to Franchisor based upon Net Sales.

## 7. Marks; Confidential Information.

(a) For purposes of this Agreement, the term “**Marks**” includes all trade names, trademarks, service marks, logos, product identifiers, selections and/or designations, including all registrations and applications for the same owned by Franchisor or used in connection with the Restaurant and also the trade dress used in connection with the Restaurant, including the total appearance, atmosphere and image of Restaurants, the products and packaging, all related features such as size, texture, shape, color or color combinations, and graphics of Restaurants and the products and packaging, and all advertising and marketing techniques used to promote the Restaurant, as well as all signage, menus, menu boards, product displays, all product configurations all product packaging including any containers, boxes, cups or other packages for burger and fry offerings, any color schemes and designs utilized in connection with the Restaurant’ interior walls, counters, table tops, chairs, and floors (“**Trade Dress**”). Use of any Marks must be accompanied by the registration, service mark, trademark or other symbol, as designated by Franchisor, in close proximity to the Marks. Franchisee must refrain from any business or advertising practice that may be injurious to the business of Franchisor, the goodwill associated with the Marks or the Restaurant.

(b) Any reproduction of any items or materials suitable for copyright protection by Franchisor (the “**Copyrights**”), including the copyrightable materials within the Confidential Information, must bear a copyright notice in the form designated by Franchisor. All advertising and promotional materials generated by or for Franchisee or its officers, managers, or employees will be subject to Franchisor’s prior approval, will be completely factual and will conform to the highest standards of ethical advertising. Further, all such advertising and promotional materials generated by or for Franchisee or its Principals, officers, managers, or employees for the Restaurant will be deemed a work-made-for-hire, and all ownership rights, including any copyrights, in such advertising and promotional materials are hereby assigned by Franchisee to Franchisor. In addition, Franchisee will require all of its Principals, officers, managers and employees to sign an agreement obligating its Principals, officers, managers and employees to assign all of their rights, title and interest to the Copyrights to Franchisor and requiring its Principals, officers, managers and employees to cooperate in the protecting the Copyrights.

(c) During the term of this Agreement, Franchisee and its Principals, officers, managers and employees may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to store operations, business practices or the manufacturing, production, marketing and sale of food items including burgers and fries and related beverages, appetizers and desserts, complementary food items and beverages or other similar products added to Franchisor's menu and related goods in connection with the Restaurant (the "**Innovations**"). Franchisee assigns all of its rights, title and interest in the Innovations, including any intellectual property rights, to Franchisor, and agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including the perfecting of title thereto. In addition, Franchisee will require all of its Principals, officers, managers and employees to sign an agreement obligating its Principals, officers, managers and employees to assign all of their rights, title and interest to the Innovations to Franchisor and requiring its Principals, officers, managers and employees to cooperate in the protecting and perfecting of title in the Innovations for Franchisor.

(d) Franchisee will not have the exclusive right to use the Marks, the Copyrights, the Innovations or the Confidential Information. Franchisee may not offer or grant any sublicense or other rights to use the Marks, the Copyrights, the Innovations or the Confidential Information to any person or entity. Franchisee acknowledges and agrees that Franchisor maintains and reserves all rights to the Marks, the Copyrights, the Innovations and the Confidential Information except as expressly described in this Agreement. Franchisee further acknowledges and agrees that their right to use the Marks, the Copyrights, the Innovations and the Confidential Information is derived solely from this Agreement and that Franchisee will not derive any right, title or interest in the Marks, the Copyrights, the Innovations, or the Confidential Information other than a license to use the Marks, the Copyrights, the Innovations, and the Confidential Information in connection with the conduct of the Restaurant during the term of this Agreement. Upon expiration or termination of this Agreement, Franchisee may not, directly or indirectly, use the Marks, the Copyrights, the Innovations or the Confidential Information in any manner or for any purpose whatsoever. Franchisee agrees that they will not in any way infringe upon, harm or contest the rights of Franchisor or any other person or other entity to use of the Marks, the Copyrights, the Innovations and the Confidential Information. Franchisee further acknowledges that their use of the Marks, the Copyrights, the Innovations and the Confidential Information pursuant to this Agreement will inure to the benefit of Franchisor and the System and that any goodwill arising from Franchisee's use will automatically vest in Franchisor.

(e) During the term of this Agreement, Franchisee may not include the name "Bobby's Burgers by Bobby Flay" or any substantially similar name in their corporate, partnership, limited liability company or other entity name. However, Franchisee may include the Marks in any advertising or marketing materials approved by Franchisor for distribution. Franchisee must use the Marks, the Copyrights, the Innovations and the Confidential Information only in the manner prescribed by Franchisor and in no other manner.

(f) Franchisee must immediately notify Franchisor of any conduct that could constitute infringement of or challenge to the Marks, the Copyrights, the Innovations, or the

Confidential Information. Franchisor may, in its sole discretion, institute any action in connection with infringement of or challenge to the Marks, the Copyrights, the Innovations or the Confidential Information, and will control all proceedings and litigation. Franchisor is not required to protect Franchisee's right to use the Marks, the Copyrights, the Innovations, or the Confidential Information; provided, however, that Franchisor will indemnify Franchisee for, from and against all damages for which Franchisee is held liable in any lawsuit arising out of Franchisee's use of the Marks, the Copyrights, the Innovations, or the Confidential Information in compliance with this Agreement.

(g) Notwithstanding anything contained in this Agreement to the contrary, if it becomes advisable at any time, in Franchisor's sole discretion, to modify or discontinue use of any Mark, Copyright, Innovation, or Confidential Information, or use one or more additional or substitute Marks, Copyrights, Innovations, and/or Confidential Information and/or other information and/or rights, Franchisee must, at their expense, comply within a reasonable time after notice thereof by Franchisor.

(h) Franchisee must not solicit other franchisees or use the lists of franchisees for any commercial or other purpose other than purposes directly related to the operation of a Restaurant without the prior approval of Franchisor. Franchisee will cause its Principals, officers, managers and employees to comply with such restrictions.

(i) Upon any breach by Franchisee of any of the terms of this Section 7, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled. Franchisee agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision of this Section 7, without the necessity of posting bond therefor or proof of actual damages.

8. Fees. In consideration of the grant of the Franchise by Franchisor to Franchisee:

(a) Initial Franchise Fee. The initial franchise fee ("**Initial Franchise Fee**") for your Restaurant is Thirty Thousand Dollars (\$30,000).

The Initial Franchise Fee is non-refundable.

(i) If Franchisee executed this Agreement in connection with a transfer, Franchisee will not be required to pay the Initial Franchise Fee. However, Franchisee or their transferor will be required to pay the Transfer Fee contemplated by the transferor's franchise agreement, prior to or simultaneously with the execution of this Agreement.

(ii) If Franchisee executed this Agreement in connection with a renewal, Franchisee will not be required to pay the Initial Franchise Fee. However, Franchisee will be required to pay the renewal fee contemplated by Franchisee's controlling prior franchise

agreement, prior to or simultaneously with the execution of this Agreement and the term of this Agreement will be amended as provided in that Agreement.

(iii) If Franchisee executed this Agreement in connection with a relocation of the Restaurant, Franchisee will not be required to pay the Initial Franchise Fee but will be required to pay the Relocation Fee.

(iv) The Initial Franchise Fee is payable by certified or cashiers' check and is due in full upon your signing the Franchise Agreement. The Initial Franchise Fee is not a deposit and is not refundable under any circumstances.

(b) Royalty Fees. Franchisee must pay to Franchisor Royalty Fees ("**Royalty Fees**") in an amount equal to six percent (6%) of your Net Sales during each Calendar Week.

(c) "**Net Sales**" as used in this Agreement means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the Restaurant (including, without limitation, revenues and income you receive from the proceeds of any business interruption insurance policies), whether for cash, credit or debit card, barter exchange, trade credit, or the redemption of authorized gift cards (and regardless of collection in the case of credit), whether from sales on the Restaurant premises, by delivery, from catering, or other sales methods (whether the sales method is permitted or not). Net Sales exclude: (i) all federal, state, or municipal sales taxes, use, or service taxes or other taxes collected from guests for transmittal to the appropriate taxing authority; (ii) employee tips; (iii) refunds to customers made in good faith to arms' length guests; (iv) other documented refunds, credits, allowances, and charge-backs the Restaurant in good faith gives to customers; (v) proceeds from the sale of authorized gift cards; and (vi) the value of discounted or complimentary meals that you furnish to employees, guests, family members and other business entities that you own and control; provided however, any exclusions under this subpart (v) shall be capped at a maximum of four percent (4%) of Net Sales in connection with calculating any payments due and owing to us.

(d) Brand Fund Contributions. Franchisee shall pay Franchisor a Brand Fund Contribution ("**Brand Fund Contribution**") in the amounts that Franchisor prescribes at any time and from time to time, not to exceed three percent (3%) of Net Sales during each Calendar Week. We will collect your Brand Fund Contribution at the same time and in the same manner that we collect your Royalty Fees. Information concerning the standards and process for approval for local store marketing is described in the Confidential Operations Manual.

(i) Brand Fund Contributions collected from Franchisee and other franchisees will be used by Franchisor for expenditures (the "**Brand Fund**") that, in Franchisor's sole discretion, promote, enhance or further the Restaurant brand or System, including promotional, marketing, public relations and advertising expenses, hiring marketing, public relations and advertising agencies and personnel to assist in developing the Restaurant brand name and increasing average unit volumes, expenses associated with listings in online directories, subsidies of premiere/marquee Restaurants designed to garner media attention and promote the Restaurant brand name, search engine optimization of our website(s) and related internet sites, travel expenses in connection with promotions and market meetings, training,

development of trademarks and trademarked materials, production of circulars and media, advertisements, coupons and promotional materials (including point of purchase materials).

(ii) Any amounts in the Brand Fund not spent during the fiscal year during which they were collected will be used during the following (or, if a deficit exists, prior) fiscal years; any amounts expended for advertising purposes in excess of the amount in the Brand Fund during any fiscal year (together with amounts not expended during prior fiscal years) will be debited from the following years' or the prior years' Brand Fund. Any amounts in the Brand Fund not spent during the fiscal year during which they were collected may be used by Franchisor for other purposes on a short-term basis if that use does not impair the availability of those amounts for advertising purposes. An accounting of the use of Brand Fund Contributions collected from franchisees during each calendar year will be made available to Franchisee annually within a reasonable period of time after Franchisee's request.

(e) Local Marketing Expenditures. Franchisee shall spend no less than one percent (1%) of Franchisee's Net Sales during on approved local marketing programs during each calendar week ("**Local Marketing Expenditure**"). We may audit your books and records to confirm that you have satisfied the Local Marketing Expenditure requirement. Information concerning the standards and process for approval for local store marketing is described in the Confidential Operations Manual.

(f) Ordering Non-Compliance Fee. The quality and uniformity of food products and related items is paramount to the System. If you fail to order food products and related items from the Designated Supplier or Approved Supplier, we may charge you an Ordering Non-Compliance Fee. The Ordering Non-Compliance Fee will be One Thousand Five Hundred Dollars (\$1,500) for your first violation and Two Thousand Five Hundred Dollars (\$2,500) for each subsequent violation.

(g) Lab Test Fee. To ensure food safety we may laboratory test your food for safety on occasion in our discretion. Our cost to do so with an outside laboratory may be more or less than the amount we charge you, but we will charge you a flat fee of Five Hundred Dollars (\$500) per food item. This fee is imposed by and payable to us and is not collected on behalf of nor paid to any third party except we may incur costs from testing.

(h) Technology Fee. You will pay us a Technology Fee for those technology licenses and services that we provide to you or that we license from others to provide to you. Currently, the Technology Fee includes maintenance of the website, license of POS hardware and software, online and app ordering, loyalty program, email system management, intranet systems, digital menu boards, and drive thru systems. The Technology Fee will be, depending upon the technology services we provide to you, between Seven Hundred Fifty Dollars – One Thousand Five Hundred Dollars (\$750- 1,500) per month. We may increase the Technology Fee upon thirty (30) days prior written notice to you.

(i) Training Non-Attendance Fee. We may charge you a Non-Attendance Fee per person if you do not attend a training section that we require you to attend.

(j) Document Late Charge. We may charge you a document late charge of Two Hundred Fifty Dollars (\$250) per day per document, report, or other material that you have not timely provided to us.

(k) Non-Compliance Fee. We may charge you a Non-Compliance Fee for each incident of noncompliance of your operational obligations under the requirements, procedures or policies of this Agreement, upon notice to Franchisee, whether or not you are entitled to cure the deficiency under the Franchise Agreement. The Non-Compliance Fee will be between Two Thousand Five Hundred Dollars (\$2,500) and Five Thousand Dollars (\$5,000) per incidence of non-compliance. The Non-Compliance Fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party, and is nonrefundable.

(l) Early Termination Fee. If this Agreement is terminated for any reason prior to the date that it is scheduled to expire, we may charge you an early termination fee equal to fifty percent (50%) of the Initial Franchise Fee plus estimated Royalty Fees of six percent (6%) for remainder of Term. In addition to this fee, you may also be required to compensate us for our damages that include travel expenses, labor and employee cost to operate the location, food products removed, and unpaid and other expenses to operate the restaurant location. This fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party, and is non-refundable. This fee is in addition to, and not in lieu of, the Interim Operating Fee.

(m) Interim Operating Fee. If you abandon, fail to properly operate, or request that we or our designee operating your Restaurant, we may charge you an interim operating fee (“Interim Operating Fee”) of eight percent (8%) of Net Sales plus our reasonable expenses. The Interim Operating Fee is in addition to and non in lieu of Restaurant operating expenses, Royalty Fees, Brand Fund Contributions, Technology Fees, and other fees and expenses due or payable to us, our affiliates, or third parties in connection with the operation of the Restaurant.

(n) Default Interest. We may charge you default interest on any unpaid amounts at the rate of one- and one-half percent (1.5%) per month (“Default Interest”). Default interest will accrue on a weekly basis. The Default Interest rate will be lowered if state or federal law requires a lower interest rate.

(o) Weekly Royalty and Brand Fund Contribution Payments. Royalty Fees and Brand Fund Contributions will be due and payable on each Friday with respect to Net Sales during the previous week (ending Sunday) (each a “*Calendar Week*”). For purposes of calculating Royalty Fees and Brand Fund Contributions, a week shall be Monday through Sunday. Royalty Fees, Brand Fund Contributions, and any other fees or charges payable to Franchisor or its Affiliates that are not paid within ten (10) days after their due date will bear interest at the rate of one- and one-half percent (1.5%) per month. We reserve the right to modify the Calendar Week and the draw date upon written notice to you.

(p) Authorization to Draw Drafts against Franchisee’s Bank Account.

(i) Franchisee authorizes Franchisor to draw drafts against Franchisee’s bank accounts for the full amount of the Royalty Fees, Brand Fund Contributions, other fees contemplated by this Section 8(p) and for any other amounts that Franchisee owes to



Franchisor or its Affiliates or Franchisee's cooperative advertising association (for example, for promotional materials). Simultaneously with signing this Agreement, Franchisee must sign a pre-authorization form, in the form attached as Exhibit E to the Franchise Disclosure Document, to enable Franchisor to do so. In addition, from time to time at Franchisor's reasonable request, Franchisee must sign those other and further documents as Franchisor may require enabling Franchisor to draw drafts against Franchisee's bank accounts for such purposes.

(ii) If Franchisee fails to provide Franchisor any necessary information or documentation with respect to Franchisor's practice of drawing drafts against Franchisee's bank accounts, Franchisee must pay Franchisor a fee of Two Hundred Fifty Dollars (\$250) per day that the failure continues.

(q) Reports. If Franchisee fails to submit to Franchisor by 5:00 p.m. (Charlotte, North Carolina time) on Monday of each week, an operating statement, in the form specified by Franchisor, which includes Net Sales figures for the prior Calendar Week, as required by Section 9(a), the amount drawn against Franchisee's bank account, pursuant to Section 8(o), for the Royalty Fees and Brand Fund Contributions with respect to the prior week will be the amount drawn the previous week plus twenty percent (20%), as an estimate of the prior week's Royalty Fees and Brand Fund Contributions, and Franchisee may be assessed a Two Hundred Fifty Dollar (\$250) late charge per delinquent operating statement per week, or part thereof (until each delinquent operating statement has been delivered), which amount may be increased by Franchisor from time to time.

(r) Taxes. Franchisee must pay to Franchisor an amount equal to any sales, gross receipts or similar taxes assessed against, or payable, by Franchisor and calculated on the Initial Franchise Fee, Royalty Fees, Brand Fund Contributions, equipment and signage purchases or other payments required to be paid pursuant to this Agreement, unless the tax is an income tax or an optional alternative to an income tax otherwise payable by Franchisor. Such amount will be due and payable within ten (10) days after receipt of Franchisor's invoice.

(s) If Franchisee fails to deliver or provide to Franchisor any statement, report or other document or information required to be delivered (for example, Certificates of Insurance and financial statements), by the applicable deadline, Franchisee will be assessed a Two Hundred Fifty Dollar (\$250) late charge per delinquent statement, document or other information per week, or part thereof (until each delinquent statement, document or other information has been delivered or provided), which amount may be increased by Franchisor from time to time.

## 9. Financial Matters; Reporting; Evaluations; Audits.

(a) Franchisee must submit to Franchisor in the English language the periodic reports as Franchisor may require, in the form and manner designated by Franchisor; in addition to financial information, statements and reports that Franchisor may require, in its sole discretion, from time to time, in the format that Franchisor may require, in its sole discretion. Franchisor may require that any such financial statements be compiled, reviewed or audited, at Franchisee's expense. Franchisee must maintain their books and records in the English language and in an orderly fashion, utilizing the software programs designated by Franchisor, and in accordance with standard accounting procedures. Franchisee must maintain such books and

records as are required by law and such books and records as Franchisor may require, in its sole discretion, including employee timecards; all of those books and records must be in the English language. All books and records maintained by Franchisee relating to the Restaurant must be retained by Franchisee during the term of this Agreement and for the seven-year period following the expiration or termination of this Agreement. Franchisor may disclose to any person (including any lender to, or equipment lessor of, Franchisee) or use for any purpose, any financial or other information regarding Franchisee in Franchisor's possession, without obtaining Franchisee's consent.

(b) Franchisor may inspect, or cause its agents or representatives to inspect, at any time, Franchisee's account statements and other books and records with respect to the Restaurant, including Franchisee's federal and state tax returns, sales and use tax returns, customer records and financial accounts. Franchisee must maintain their books and records with respect to the Restaurant on the Premises of the Restaurant or such other place as is approved in writing by Franchisor. If Franchisee's books and records are maintained at a place other than on the Premises of the Restaurant, at the request of Franchisor, or its agents or representatives, Franchisee must, by 4:00 p.m. (local time) on the day upon which such request is made, deliver its books and records (and/or accurate and complete copies thereof, at Franchisor's option) to Franchisor, or its agents or representatives, at the Restaurant or provide Franchisor, or its agents or representatives, access to Franchisee's account statements and other books and records (and/or accurate and complete copies thereof, at Franchisor's option) at the place at which they are maintained. Franchisee must assist and cooperate with Franchisor in establishing and maintaining Franchisor's POS system, which provides Franchisor with independent access to the information and data generated by Franchisee's electronic cash register or computer system, including, at Franchisee's expense, acquiring any necessary hardware or software and setting the system to automatically transmit data and information designated by Franchisor to Franchisor. All POS data generated by the Restaurant will be the property of Franchisor.

(c) Franchisor may audit, or cause its agents or representatives to audit, Franchisee's books and records with respect to the Restaurant. Franchisee must provide Franchisor and its representatives and agents access to Franchisee's books and records with respect to the Restaurant, and must cooperate with the conduct of any audit. Franchisor will pay all costs and expenses in connection with any audit unless the audit reveals that Franchisee has underreported their Net Sales, or underpaid Royalty Fees or Brand Fund Contributions during the audited period. In this event, Franchisee must promptly pay, or reimburse Franchisor for, all costs and expenses in connection with the audit (including reasonable attorneys' fees and costs), and must pay Franchisor the amount of the underpayment, plus interest at the rate of one- and one-half percent (1.5%) per month on the amount of the underpayment from the respective due date of each underpayment.

(d) Upon request, Franchisee must, at its expense, promptly provide Franchisor in the English language, copies of Franchisee's books and records requested by Franchisor (including Franchisee's charter documents, evidence of equity ownership and any agreements among its Principals.)

10. Guarantee of Franchisee's Obligations. If Franchisee is a corporation, partnership, limited liability company or other entity, each of Franchisee's owners during the term or any renewal term of this Agreement (collectively, "**Principals**") must deliver to Franchisor, simultaneously with signing this Agreement, a guaranty in the form attached to this Agreement as Exhibit 4 in their individual capacities undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor. Depending on the creditworthiness of the owners and the community property laws of the states in which they reside, Franchisor may require that the spouse of each owner sign a guaranty (regardless of whether Franchisee is a corporation, partnership, limited liability company or other entity).

11. Indemnification. Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its affiliates, and Franchisor's and their respective affiliates, shareholders, members, managers, directors, partners, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Restaurant's operation, employment matters in connection with the Restaurant, the business Franchisee conducts under this Agreement, or Franchisee's breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. Franchisee agrees to give Franchisor and the Indemnified Parties written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three (3) days of Franchisee's actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Franchisee agrees to give its full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten (10) days of the date of each invoice delivered by the Indemnified Parties to Franchisee enumerating such costs, expenses and attorneys' fees.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and

expenses, in order to maintain and recover from third parties fully a claim against you under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this subparagraph. Franchisee's or any of the other Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee's obligation to indemnify Franchisor and the other Indemnified Parties and to hold Franchisor and any of the Indemnified Parties harmless.

12. Confidential Information.

Franchisor possesses (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating Restaurants, including (without limitation):

- (1) site selection criteria and layouts, designs and other plans and specifications for Restaurants;
- (2) ingredients, recipes and related information concerning any food items;
- (3) training and operations materials and manuals;
- (4) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Restaurants;
- (5) marketing, promotional and advertising research and programs for Restaurants;
- (6) knowledge of specifications for and suppliers of products and supplies, including supplier pricing and related terms;
- (7) any computer software or similar technology which is proprietary to Franchisor or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (8) knowledge of the operating results and financial performance of Restaurants other than your Restaurant;
- (9) graphic designs and related intellectual property;
- (10) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;
- (11) all data and other information generated by, or used in, the operation of the Restaurant, including customer names, addresses, phone numbers, pricing and

other information supplied by any customer (such as credit card information or personal information), and any other information contained at any time and from time to time in any computer hardware and/or operating software that Franchisor specifies or that visitors to the Restaurant (including Franchisee and Franchisee's personnel) provide to the website for the network of Restaurants;

(12) future business plans relating to Restaurants and the Restaurant franchise opportunity, including expansion and development plans; and

(13) any other information that Franchisor reasonably designates as confidential or proprietary.

Franchisee acknowledges and agrees that Franchisee will not acquire any interest in Confidential Information, other than the right to use it as Franchisor specifies in operating the Restaurant during the term and any renewal term of this Agreement, and that Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee in fact does agree, that Franchisee:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the term and any renewal term of this Agreement and then thereafter for as long as the item is not generally known in the food-service industry;

(c) will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that Franchisor may have authorized or approved in its sole judgment;

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

(e) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Restaurant personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. Franchisor has the right to regulate the form of agreements that Franchisee uses and to be a third-party beneficiary of those agreements with independent enforcement rights. The current form of Nondisclosure and Non-Competition Agreement is attached as Exhibit 3; and

(f) will notify Franchisor within twenty-four (24) hours of any unauthorized use or disclosure of Confidential Information (whether by Franchisee or any Restaurant employees or personnel).

Confidential Information does not include information, knowledge, or know-how which Franchisee can demonstrate lawfully came to its attention before Franchisor provided it to

Franchisee directly or indirectly; which, at the time Franchisor disclosed it to Franchisee, already had lawfully become generally known in the food-service industry through publication or communication by others (without violating an obligation to Franchisor); or which, after Franchisor discloses it to Franchisee, lawfully becomes generally known in the food-service industry through publication or communication by others (without violating an obligation to Franchisor). However, if Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to a Restaurant, whether or not protectable intellectual property and whether created by or for Franchisee or Franchisee's owners or employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent that any item does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Franchisee hereby assigns ownership of that item, and all related rights to that item, to Franchisor, hereby waives all moral rights in that item, and hereby agrees to take whatever action (including signing assignment or other documents) Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the item (including signing assignment or other documents, and causing Franchisee's owners, employees and contractors to do the same). Franchisee may not use any such idea, concept, technique or material in connection with the Restaurant without Franchisor's prior approval.

Each and every promise, covenant, representation, warranty, agreement and acknowledgement in this Section 12 shall survive termination of this Agreement.

13. Covenant Not to Compete.

(a) Franchisee acknowledges that Franchisor has granted Franchisee a franchise in consideration of and reliance upon Franchisee's agreement to deal exclusively with Franchisor. Franchisee therefore agrees that, during the Initial Term and any Renewal Term, neither Franchisee, any of its owners, nor any of Franchisee's or Franchisee's owners' spouses will:

(i) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(iii) divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business;

(iv) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, any Competitive Business or any owner, director, officer,

manager, employee, agent or vendor of any Competitive Business, wherever located or operating; or

(v) engage in any other activity which, in Franchisor's sole opinion, might injure the goodwill of the Marks and System.

The term "***Competitive Business***" means (i) a restaurant, food truck, kiosk and/or food distribution business that derives fifteen percent (15%) or more of its gross sales from the marketing or sale of burger and fries and related appetizers and desserts or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Restaurant operated under a franchise agreement with Franchisor).

Franchisee agrees to have all of the following persons sign, and Franchisee will submit to Franchisor executed copies of, Franchisor's then current form of Nondisclosure and Non-Competition Agreement from all of the following persons: (i) Franchisee's General Manager and any supervisory or other employees who have received or will receive training from Franchisor, prior to their employment; (ii) if Franchisee is an entity, all of its officers, directors, shareholders, partners, members and owners, and those of any entity directly or indirectly controlling Franchisee, concurrent with the execution of this Agreement, or at such time as they assume such status; and (iii) all of the persons enumerated in this Section 13. Franchisee agrees to provide Franchisor copies of all executed Nondisclosure and Non-Competition Agreements no later than ten (10) days following their execution.

(b) Upon (a) Franchisor's or Franchisee's termination of this Agreement according to its terms and conditions, (b) Franchisee's termination of this Agreement without cause, or (c) expiration of this Agreement (if Franchisor offers, but Franchisee elects not to acquire, a successor franchise, or if Franchisor does not offer Franchisee a successor franchise due to Franchisee's failure to satisfy the conditions for a successor franchise set forth in Section 15), Franchisee and Franchisee's owners agree that, for one (1) year beginning on the earlier of the effective date of termination or expiration of this Agreement, neither Franchisee nor any of Franchisee's owners will have any direct or indirect interest (e.g., through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating:

(i) at the Premises;

(ii) within the Franchise Territory;

(iii) within a three (3) mile radius of the Franchise Territory; or

(iv) within three (3) miles of any other Restaurant in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 13(b) begin to comply with this Section 13(b).

(c) The restrictions above in this Section 13 also apply after transfers. If any person restricted by this Section 13 refuses voluntarily to comply with these obligations, the one

(1) year period for that person will commence with the entry of a court order enforcing this provision. The one (1) year period will be tolled, if applicable, for the period during which a restricted person is in breach of this Section 13 and will resume when that person begins or resumes compliance. Franchisee and Franchisee's owners expressly acknowledge that Franchisee possesses skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcing the covenants made in this Section 13 will not deprive Franchisee of Franchisee's personal goodwill or ability to earn a living.

(d) Upon any breach of Section 13, Franchisee will, as liquidated damages and not as a penalty, be obligated to pay to Franchisor Thirty Thousand Dollars (\$30,000) for each site operated in breach of Section 13 plus nine percent (9%) of Net Sales from all products and services sold by or from a site operated in breach of Section 13, whether for on-site or off-site consumption.

(e) If the scope of any restriction contained in Section 12 or this Section 13 is too broad to permit the enforcement of that restriction to its fullest extent, then that restriction will be enforced to the maximum extent permitted by law, and Franchisor and Franchisee each consents and agrees that the scope may be judicially limited or modified accordingly in any proceeding brought to enforce that restriction. Each provision contained in Section 12 and this Section 13 is independent and severable and, to the extent that any provision is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, that declaration will not affect the legality, validity or enforceability of any other provision contained in this Agreement or the legality, validity or enforceability of that provision in any other jurisdiction.

(f) Each and every promise, covenant, representation, warranty, agreement and acknowledgement in this Section 13 shall survive termination of this Agreement.

14. Transfer of the Restaurant; Assignment of Franchise Rights.

(a) By Franchisor.

(i) Franchisor may assign this Agreement or any of its rights, or delegate any of its obligations hereunder without the consent of Franchisee or any other person.

(ii) Franchisor may acquire or be acquired by, any company, including, without limitation, a company operating one or more food service businesses (including food service businesses selling similar or identical food products as Franchisee), located or operating within the Franchise Territory, Site Selection Area, and/or the Area, and in conjunction with that transaction, assign this Agreement or any of its rights hereunder without the consent of Franchisee or any other person.

(b) By Franchisee.

(i) Franchisee may not sell or otherwise transfer, by operation of law or otherwise, the Franchise or the Restaurant, or assign any right granted under this Agreement, without the prior written consent of Franchisor, which consent will not be unreasonably withheld



(a “**Transfer**”). It is agreed that Franchisor’s withholding of consent because the prospective transferee (the “**Transferee**”) would not satisfy the then-current qualifications for franchisees; or because the financial or other terms of the transfer may have an adverse impact upon the Transferee’s operation of the Restaurant; or is at a time when Franchisee (or their Principals, officers, managers or employees) or the Transferee (if they are an existing franchisee of Franchisor) is in breach of, or default under, this Agreement or any other agreement with Franchisor or its Affiliates is reasonable. Any transfer of an equity interest in Franchisee or transfer of some or all of the assets of Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of the Restaurant.

(ii) Franchisee may not offer or grant any sub-franchise of the Franchise, or sell or otherwise transfer any equipment or other assets used in connection with the Restaurant (other than in the ordinary course of Franchisee’s business), without the express written consent of Franchisor, which consent may be withheld by Franchisor, in its sole discretion.

(c) Required Materials. If Franchisee desires to sell or otherwise transfer the Restaurant, or assign any right granted under this Agreement, they must provide Franchisor with a written request for a transfer, which request must be accompanied by financial and other information regarding the Transferee, the proposed transfer, and other information that Franchisor may require, all pertinent terms of the transaction (which transaction must be for cash and no other consideration) and a transfer fee equal to one-half (1/2) of the then-current Initial Franchise Fee (the “**Transfer Fee**”) (the “**Required Materials**”).

(d) Right of First Refusal. Within thirty (30) days after Franchisor’s receipt of all of the Required Materials, Franchisor will either notify Franchisee that Franchisor desires to purchase the Restaurant and Franchisee’s rights under this Agreement, upon the same terms and conditions as are offered by the Transferee, or will notify Franchisee that the proposed transfer is approved or disapproved, at Franchisor’s election. If the Transferee is disapproved, the Transfer Fee, less Franchisor’s reasonable out-of-pocket expenses relating to the proposed transfer, will be refunded to Franchisee. Franchisor has the right, but not the obligation, to evaluate and/or investigate the Transferee. If Franchisor notifies Franchisee that it desires to purchase the Restaurant and Franchisee’s rights under this Agreement, that transaction will be consummated, upon the same terms and conditions offered by the Transferee, but not later than ninety (90) days after the end of the thirty (30)-day period referred to above.

(e) If Franchisor notifies Franchisee that the transfer is approved, Franchisee may transfer the Restaurant, within ninety (90) days after the end of the thirty (30)-day period referred to above, to the Transferee on terms no less favorable to Franchisee than the terms identified in the Required Materials, provided that prior to the closing of the transfer of the Restaurant:

(i) The Transferee signs the form of franchise agreement then being signed by new franchisees and the other documents attached to that franchise agreement have been signed; provided, however, that no Initial Franchise Fee must be paid;

(ii) Each person (and their spouse) or entity owning, directly or indirectly, a five percent (5%) or greater equity interest in the Transferee (for example, the general partners or the shareholders) signs an agreement in the form then being signed by new franchisees, pursuant to which they agree to perform, and guarantee, the Transferee's obligations to Franchisor and its Affiliates and agrees to be bound by the confidentiality provisions and restrictive covenants contained in the form of franchise agreement then being signed by new franchisees;

(iii) The Transferee and its Principal, and General Manager sign a confidentiality agreement in the form required by Franchisor and attend and satisfactorily complete the Training System, in the sole discretion of Franchisor, if required by Franchisor;

(iv) Franchisee and each Guarantor sign and deliver to Franchisor a general release of Franchisor and its Affiliates, in the form that Franchisor may require;

(v) Franchisee, at their expense, remodels and updates the Restaurant to Franchisor's then current standards;

(vi) Franchisee engages an escrow officer approved by Franchisor to handle the closing and supervise the exchange of funds including the payment of the Transfer Fee and other monies owed to Franchisor; and

(vii) All amounts outstanding by Franchisee to Franchisor as of the date of the closing are paid at the closing, and all breaches of or defaults under this Agreement or any other agreement with Franchisor or its Affiliates are cured as of the closing.

(f) Any Majority-owned Transfer will be subject to the other provisions of this Section 14; provided, however, that the Transfer Fee will be Two Thousand Five Hundred Dollars (\$2,500) (plus reasonable attorneys' fees), in connection with the transfer and Franchisor will not have the right of first refusal contemplated by Section 14(d). In connection with this transfer, however, the Transferee in connection with a Majority-owned Transfer will not be entitled to attend the Training System (unless Transferee does so at its own cost). The Transferee in connection with a Majority-owned Transfer must sign the form of franchise agreement then being signed by new franchisees (and will be subject to the terms of that franchise agreement, except that the term will be the transferor's remaining term and that no Initial Franchise Fee must be paid) and each person (and their spouse), corporation, partnership, limited liability company or other entity that owns, directly or indirectly, a five percent (5%) or greater equity interest in the Transferee in connection with a Majority-owned Transfer must sign and deliver to Franchisor an agreement, in the form attached to the franchise agreement then being signed by new franchisees, pursuant to which they agree to perform, and guarantee, the Transferee's obligations to Franchisor and its Affiliates, and agree to be bound by the restrictive covenants and the confidentiality and certain other provisions contained in the franchise agreement then being signed by new franchisees.

(g) For purposes of this Agreement, the term "***Majority-owned Transfer***" means a transfer to a person or entity that is majority owned by Franchisee, or to a person or entity that owns a majority interest in Franchisee, or to an entity that is owned by the same

persons or entities (on a cumulative basis) that beneficially own a majority interest in Franchisee or as a result of which the person(s) who owned a majority interest in Franchisee prior to the transfer continues to own a majority interest in Franchisee after the transfer (for example, an additional person purchases or is issued an equity interest in Franchisee).

(h) In the case of an individual Franchisee, any attempt to transfer the Restaurant or assign any right granted under this Agreement upon Franchisee's death, permanent and total disability, or dissolution of marriage (if the Restaurant, or a majority interest therein, will be transferred to Franchisee's spouse upon dissolution of marriage) will be subject to the restrictions on transfer contained in this Section 14; provided, however, that Franchisor will not have the right of first refusal contemplated by Section 14(d). However, if Franchisor does not approve the proposed Transferee upon death, disability, or dissolution of marriage, Franchisee or their legal representative must, within ninety (90) days after Franchisee's death, disability or dissolution of marriage, transfer the Restaurant to a person or entity approved by Franchisor in accordance with the provisions of this Section 14 within this ninety (90)-day period or this Agreement will terminate.

15. Term; Renewal.

(a) Subject to Section 18 of this Agreement, the term of this Agreement will commence on the Effective Date and continue an initial term of ten (10) years from the date that Franchisee opens the Restaurant for business (the "**Initial Term**"). However, if Franchisee executed this Agreement in connection with a Transfer, the Initial Term will continue until the date that the transferring franchisee's franchise agreement would have expired; or upon relocation, the Initial Term will continue until the date that Franchisee's prior franchise agreement would have expired.

(b) If this Agreement has not expired or been terminated prior to the end of the Initial Term, then Franchisee may renew the Franchise for two (2) consecutive five (5) year terms (each a "**Renewal Term**") or, if Franchisee became a franchisee in connection with a Majority-owned Transfer, such lesser number as are remaining under Franchisee's transferor's franchise agreement commencing upon the expiration of the then-current term, provided that:

(i) At the time of each renewal, Franchisee (and their Principals, officers, managers and employees) must not be in breach (or have a history of repeated breaches) of their obligations under, or related to, this Agreement (including the Events of Default) or any other agreement with Franchisor or its Affiliates;

(ii) Franchisee must notify Franchisor in writing of their intention to renew at least six (6) months (but not more than 12 months) before the end of each then current Term (Initial Term or Renewal Term), which notice must be accompanied by a renewal fee equal to one-half (1/2) of the then-current Initial Franchise Fee (the "**Renewal Fee**"), payable by certified or cashiers' check; provided however that the Renewal Fee will not exceed the amount of the Initial Franchise Fee in this Agreement.

(iii) Prior to each renewal, Franchisee must, at their expense, remodel and update the Restaurant to Franchisor's then current standards;

(iv) Prior to each renewal, Franchisee must sign the form of franchise agreement then being signed by new franchisees and will be subject to the terms of that franchise agreement (including the Royalty Fees, Brand Fund Contributions, and other charges) other than the franchise term which will be the remaining term on this Franchise Agreement;

(v) Prior to each renewal, Franchisee and each Guarantor must sign a general release of Franchisor and its Affiliates, in the form that Franchisor may require;

(vi) Prior to each renewal, Franchisee must, at their expense, attend such training programs or refresher courses as Franchisor may request; and

(vii) Franchisor has not notified Franchisee in writing that Franchisor objects to the renewal and returns the Renewal Fee to Franchisee.

(c) If any of the above requirements have not been satisfied, the Franchise Agreement will not be renewed and will expire at the end of the then-current term. The parties agree that Franchisor's refusal to renew if any of the above requirements has not been satisfied constitutes "good cause."

16. Termination by You. Franchisee may terminate this Franchise Agreement upon the material default by Franchisor of one or more provisions of this Franchise Agreement provided that the Franchisee provides written notice of the default to Franchisor along with no less than sixty (60) days to cure the default. If the default outlined in Franchisee's notice of default cannot be cured within sixty (60) days and Franchisor is making commercially reasonable efforts to cure the default, the cure period shall be extended for an additional sixty (60) days. If Franchisee terminates this Agreement, Franchisee must still comply with the post-termination obligations described in Section 19 and all other obligations that survive the expiration or termination of this Agreement.

17. Termination by Franchisor. Franchisee is in material default, and Franchisor may terminate this Agreement and/or seek an injunction, monetary damages and/or other relief, in Franchisor's sole discretion, upon the occurrence of any of the events ("*Events of Default*") listed in Section 17, each of which, individually, constitutes "good cause" for termination of this Agreement.

(a) Without an Opportunity to Cure.

(i) If Franchisee has received from Franchisor, during any consecutive 24-month period, 3 or more notices of Events of Default (whether or not the notices relate to the same or to different Events of Defaults and whether or not each Event of Default is timely cured by Franchisee).

(ii) If Franchisee or any of the Principals files a petition for bankruptcy or is placed in involuntary bankruptcy. Termination will be effective immediately upon that filing or placement.

(iii) If Franchisee or any of the Principals becomes insolvent (defined as the inability to pay their debts in the ordinary course of business) and/or the excess of liabilities (current or long term) over assets (current or long term). Termination will be effective immediately written notice to Franchisee.

(iv) If Franchisee does not open the Restaurant within twelve (12) months of the Effective Date or four (4) months after the Landlord makes the site for the Restaurant available to him (as determined by Franchisor), whichever occurs first. Termination will be effective on such date or on such later date as Franchisor may select.

(v) If Franchisee breaches or defaults under any obligation under the Lease (and that breach or default has not been cured within the time period allowed by the Lease), or loses possession of the Restaurant for any reason during the term of this Agreement. Termination will be effective upon any of the following, at Franchisor's election:

a. The date possession of the Premises or site (or the right thereto) is lost; or

b. The date that Franchisor, its Affiliates, or the Landlord has provided notice of termination to Franchisee.

(vi) If Franchisee loses, or fails to obtain or maintain, any permit or license necessary to operate the Restaurant. Termination will be effective on the date that the permit or license is lost or denied.

(vii) If a Development Agreement Rider between Franchisor or any of its Affiliates and Franchisee or any of its Affiliates is terminated. Termination will be effective on the date that the Development Agreement Rider is terminated unless Franchisor provides notice to Franchisee otherwise.

(viii) If any other franchise agreement between Franchisor or any of its Affiliates and Franchisee or any of their Affiliates is terminated. Termination will be effective on the date that that other agreement is terminated unless Franchisor provides notice to Franchisee otherwise.

(ix) If Franchisee misrepresents, or commits fraud in connection with, any information contained in their application for a franchise, or in any other oral or written information communicated to Franchisor.

(x) If Franchisee ceases to operate or otherwise abandons the Restaurant, as evidenced by the Restaurant being closed for business for more than three (3) consecutive days.

(xi) If Franchisee or any Principal is (or has been) convicted by a trial court of, or has plead guilty or no contest to, a felony or other crime or offense that may adversely affect the goodwill or reputation of Franchisor, its products, or the Marks, or if

Franchisee or any Principal engages in (or has engaged in) any conduct that may adversely affect the goodwill or reputation of Franchisor, its products, or the Marks.

(xii) If Franchisee refuses or fails to allow Franchisor access to the Premises of Franchisee's Restaurants, and such refusal or failure has not been cured within 24 hours after Franchisor has sought access. Termination will be effective immediately upon notice to Franchisee.

(xiii) If Franchisee underreports their Net Sales by three percent (3%) or more on three (3) or more occasions.

(xiv) If Franchisee or any Principal engages in any conduct that violates any law, regulation or ordinance or commits an act of moral turpitude.

(xv) If Franchisee uses, or permits the use of, the Restaurant, or the Premises, for any illegal or unauthorized purpose, including the substitution or sale of Goods, Materials or other products, goods or materials under the Marks.

(xvi) If Franchisee conducts its Restaurants in a manner that may adversely affect the goodwill or reputation of Franchisor, its products, or the Marks, provided, however, that if, in Franchisor's sole discretion, that damage is curable, Franchisee will have thirty (30) days within which to cure that damage. Termination will be effective immediately upon notice, unless that damage is curable, in which event, termination will be effective upon the thirtieth (30<sup>th</sup>) day after that notice, unless that damage is cured.

(xvii) If Franchisee violates any health, safety or sanitation law, rule, regulation or ordinance and fails to begin to correct such noncompliance or violation immediately or fails to completely correct such noncompliance or violation within 24 hours after Franchisor has provided notice of such noncompliance or violation to Franchisee. Termination will be effective immediately upon notice to Franchisee, without any opportunity to cure. If the noncompliance or violation is not curable within twenty-four (24) hours and Franchisee is making commercially reasonable efforts to cure such event of noncompliance or violation, the cure period shall be extended for as long as Franchisee continues such commercially reasonable efforts provided that such period shall not exceed fourteen (14) days unless the delay is due to an event of force majeure. Nothing in this Section 17 should be interpreted to allow Franchisee to operate the Restaurant in violation of applicable health, safety, or sanitation law, rule, regulation or ordinance.

(xviii) If Franchisee does not open the Restaurant within the time period prescribed in Section 2(c).

(xix) If Franchisee makes or attempts to make any transfer in violation of this Agreement.

(xx) If Franchisee, any of Franchisee's owners, representatives, or employees make any illicit statements, including in an email to Franchisor's employees, officers, or directors, or in any social media posts, or any other unlawful, threatening, abusive, libelous,

defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent comments that in Franchisor's opinion negatively affects Franchisor, Franchisor's employees, Franchisor's operations or otherwise affects the Restaurant's reputation or the goodwill associated with the Marks.

(xxi) If Franchisee makes any representation or warranty on Franchisor's behalf that has not been specifically authorized in writing by Franchisor.

(xxii) If Franchisor knowingly make any unauthorized use or disclosure of any part of the Confidential Operations Manual or any other Confidential Information.

(xxiii) If Franchisee fails to pay when due any federal or state income, service, sales, or other taxes due on the Restaurant's operation, unless Franchisee is in good faith contesting Franchisee's liability for these taxes.

(xxiv) If Franchisee's assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities.

(xxv) If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor.

(xxvi) If Franchisee refuses to permit Franchisor to inspect the Restaurant's books, records, or accounts upon request.

(b) Upon Failure to Timely Cure a Default.

(i) If Franchisee (or their Principals) fails to pay any monies owed to Franchisor or any of its Affiliates under this Agreement, or any other agreement with Franchisor or its Affiliates, and that failure has not been cured within ten (10) days after Franchisor has provided notice of that failure to Franchisee. Termination will be effective immediately upon the expiration of the end of that cure period.

(ii) If Franchisee (or their Principals, officers, managers or employees) fails to perform any obligation (other than the payment of monies owed to Franchisor or any of its Affiliates) under this Agreement, or any other agreement with Franchisor or its Affiliates; provided, however, that if that failure is curable (in Franchisor's discretion), Franchisee may cure that failure within thirty (30) days after Franchisor has provided notice of that failure to Franchisee. Termination will be effective immediately upon notice, unless that failure is curable, in which event, termination will be effective upon the thirtieth (30<sup>th</sup>) day after that notice, unless that failure is cured.

(iii) If Franchisee does not possess sufficient working capital, in Franchisor's reasonable discretion, to operate the Restaurant in a manner consistent with this Agreement, the System and the Confidential Operations Manual, and that failure has not been cured within (30) days after that Franchisor notifies Franchisee of its reasonable belief that Franchisee does not possess sufficient working capital. Termination will be effective as of end of that cure period, if that failure has not been cured.

(iv) If any involuntary lien exceeding Ten Thousand Dollars (\$10,000) is placed on Franchisee's business assets and is not promptly (but in any event within (30) days) removed or bonded. Termination will be effective immediately upon notice to Franchisee by Franchisor.

(v) If Franchisee attempts to transfer, or transfers, by operation of law or otherwise, the Restaurant, or attempts to assign, or assigns, any right granted under this Agreement, without the prior written consent of Franchisor, or otherwise in violation of this Agreement. Any transfer of an equity interest in Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) is deemed to be a transfer in violation of this provision. Termination will be effective upon either of the following, at Franchisor's election:

a. The date of the attempted transfer, transfer, attempted assignment, assignment, merger or consolidation; or

b. The date (30) days after Franchisor has provided notice of termination to Franchisee, unless the transfer or assignment has been rescinded within (30) days after Franchisor has provided notice of termination to Franchisee.

(vi) If the Restaurant is not transferred within the ninety (90)-day period referenced in Section 15 of this Agreement.

(vii) If Franchisee (or, if Franchisee is a corporation, partnership, limited liability company or other entity, a Principal) fails to satisfactorily complete the Training System, in the sole discretion of Franchisor or, if Franchisor so requires, refuses to attend the Training System a second time.

(viii) If Franchisee fails to maintain the insurance Franchisor requires and does not correct the failure within ten (10) days after Franchisor delivers written notice.

(c) Cross Default.

Any default or breach by Franchisee (or any of Franchisee's owners), or Franchisee's affiliate (or any of Franchisee's owner's affiliates) of any other agreement with Franchisor or Franchisor's affiliate will be considered an event of default under this Agreement, and any default or breach by Franchisee (or any of Franchisee's owners) of this Agreement will be considered an event of default or breach by Franchisee under any and all agreements between Franchisor or Franchisor's affiliate and Franchisee (or any of Franchisee's owners), or Franchisee's affiliate (or any of Franchisee's owner's affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then Franchisor or Franchisor's affiliate will have the right to terminate all other agreements between Franchisor or Franchisor's affiliate and Franchisee (or any of Franchisee's owners), or Franchisee's affiliate (or any of Franchisee's owner's affiliates) in accordance with the termination provisions of this Agreement.



18. Rights and Obligations of the Parties upon Expiration or Termination. Upon expiration or termination of this Agreement for any reason:

(a) Franchisee will forfeit all fees paid.

(b) All goodwill associated with Franchisee's Restaurants and Franchisee's use of the Marks, is, and will be, the property of Franchisor, and Franchisee will receive no payment therefor.

(c) Franchisee must promptly return to Franchisor the Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information).

(d) Franchisor may enter the Premises of the Restaurant and recover Franchisor's Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information).

(e) Franchisee must comply with each and every of the covenants that survive termination set forth in Section 12 of this Agreement.

(f) Franchisee must immediately: (a) cease using the Marks, the Copyrights, the Innovations and the Confidential Information; (b) cancel all assumed names or equivalent business registrations relating to the use of the Marks; (c) notify the telephone company and all listing agencies of the termination of Franchisee's right to use the Marks and, if requested by Franchisor, of Franchisee's assignment of Franchisee's telephone numbers to Franchisor; (d) not, directly, or indirectly, identify himself with Franchisor or the Marks; and (e) if requested by Franchisor or the Landlord, renovate the Premises of the Restaurant to eliminate the Marks and de-identify such Premises to remove all Trade Dress, returning it to a "vanilla shell," at Franchisee's expense. Franchisee irrevocably appoints and constitutes Franchisor and its representatives and agents, with full power of substitution, as Franchisee's agent and attorney-in-fact for and on behalf of, and in Franchisee's name, and at Franchisee's expense, to take any or all of the above actions, without liability for trespass. This special power of attorney will be deemed to be coupled with an interest and irrevocable.

(g) Franchisee must pay to Franchisor, within ten (10) days of expiration or termination of this Agreement, all amounts outstanding to Franchisor or its Affiliates from Franchisee or their Affiliates.

(h) In addition, upon expiration or termination of this Agreement by Franchisor or by Franchisee, Franchisor may, but will not be obligated to, purchase, or have its designee purchase:

(i) All, or any portion of, Franchisee's signage and menu boards;  
and/or

(ii) All, or any portion of, the Restaurant equipment and other tangible assets of the Restaurant for an amount equal to the Depreciated Value (as defined below). If Franchisor is required, by law, regulation or court order, to purchase the equipment and/or other tangible assets used in connection with the Restaurant, the purchase price will be equal to the Depreciated Value. For purposes of this Agreement, the term “***Depreciated Value***” means, subject to applicable law, an amount equal to Franchisee’s cost for such assets, less depreciation and amortization using a two hundred percent (200%) declining balance method over a 5-year period. If all, or any portion of, Franchisee’s assets that are being purchased by Franchisor or its designee are subject to lien(s), Franchisor or its designee may pay, on Franchisee’s behalf, the lienholder(s) that portion of the purchase price for Franchisee’s assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s), in lieu of paying Franchisee those funds.

(iii) In addition, Franchisor, or its designee, may, but will not be obligated to, pursuant to the Franchisor Lease Addendum, assume Franchisee’s future obligations under the Lease and continue the operations of Franchisee’s Restaurants in Franchisor’s, or its designee’s, name. Further, Franchisor may offset any amounts payable to Franchisee pursuant to this Section 18, or otherwise pursuant to this Agreement, against any unpaid amounts payable to Franchisor or its Affiliates pursuant to this Agreement or any agreement executed in connection with this Agreement.

(iv) Upon any breach by Franchisee of any of the terms of this Section 18, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled. Franchisee agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor’s remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision of this Section 18, without the necessity of posting bond therefor or proof of actual damages.

(i) In addition to, and without limiting, Franchisor’s other rights and remedies under this Agreement, any other agreement or applicable law, upon the occurrence of any event giving rise to Franchisor’s right to terminate this Agreement under Section 17, Franchisor may instead elect, at Franchisor’s sole option and upon delivering providing Franchisee written notice, to take any or all of the following actions without terminating this Agreement:

(i) temporarily or permanently reduce the size of the Franchise Territory, in which case any restrictions on Franchisor will not apply in any geographic area removed from the preceding territorial boundaries;

(ii) temporarily remove information concerning the Restaurant from any website or extranet operated for the network of Restaurants, and/or restrict Franchisee’s or the Restaurant’s participation in other programs or benefits offered on or through any such website or extranet;

(iii) require Franchisee to engage a third-party accounting firm Franchisor approves to conform to the bookkeeping, accounting, reporting and recordkeeping system requirements and formats Franchisor prescribes;

(iv) require Franchisee to pay Franchisor Five Hundred Dollars (\$500) for each day the condition giving rise to Franchisor's right to terminate continues to exist to help offset the increased administrative expenses associated with Franchisee's failure to comply with the terms of this Agreement;

(v) suspend Franchisee and the Restaurant's right to participate in any advertising, marketing, promotional, or public relations programs that Franchisor provides, authorizes, or administers; or

(vi) assume, or appoint a third party to assume, management of the Restaurant.

19. Survival. Notwithstanding anything contained in this Agreement to the contrary, the provisions of this Agreement that may affect the parties' rights and obligations after the expiration or termination of this Agreement will survive the expiration and termination of this Agreement.

20. Relationship of the Parties.

(a) Franchisee must not represent or imply that the Restaurant conducted by Franchisee is owned by Franchisor. Upon the request of Franchisor, Franchisee must post a sign in the Restaurant stating that Franchisee is an independent contractor and that the Restaurant is not owned or operated by Franchisor and Franchisee agrees to identify itself conspicuously in all dealings with customers, suppliers, public officials, Restaurant personnel, and others as the Restaurant's owner under a franchise Franchisor has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials Franchisor requires at any time and from time to time. Franchisee will be an independent contractor, and nothing contained in this Agreement will be construed to create or imply a fiduciary relationship between the parties, or to make either party a general or specific agent, legal representative, employee, joint venturer, partner or servant of the other. Franchisee is in no way authorized to sign any contract or agreement, to make any representation or warranty or to create any obligation (express or implied) on behalf of Franchisor. Franchisee will be responsible for their own taxes (including any taxes levied upon the Restaurant with respect to compensation or otherwise). None of Franchisee's employees or other personnel will be considered to be Franchisor's employees or personnel. Neither Franchisee nor any of Franchisee's employees or personnel whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees or personnel. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Franchisee's employees or personnel for qualification to perform certain functions for the Restaurant does not directly or indirectly vest in

Franchisor the power to hire, fire or control any such employee. Franchisee acknowledges and agrees, and will never contend otherwise, that it alone will exercise day-to-day control over all operations, activities and elements of the Restaurant and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which it is required to comply with under this Agreement, whether set forth in the Confidential Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Restaurant, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising its control of the day-to-day operations of the Restaurant.

(b) The parties understand and agree that Franchisee is in no way authorized to sign or amend any contract or agreement, to make any representation or warranty or to create any obligation (express or implied) on behalf of Franchisor.

21. Provisions. Each provision, condition and term of this Agreement is material, and a breach or violation of any of them will constitute a default of that party's obligations under this Agreement.

22. Affiliates. For purposes of this Agreement, the term "Affiliate" means any person or entity (a) that beneficially owns a twenty percent (20%) or greater equity interest in the other person or entity (for example, a parent company of Franchisee or an individual that owns at least a twenty percent (20%) interest in Franchisee), (b) whose equity interests (twenty percent (20%) or greater) are beneficially owned by the other person or entity (for example, a subsidiary of Franchisee) or (c) whose equity interests (twenty percent (20%) or greater) are beneficially owned by the other persons or entities who (on a cumulative basis) own a twenty percent (20%) or greater equity interest in the other person or entity (for example, a sister company of Franchisee).

23. Notices.

(a) All written notices, reports, and payments permitted or required to be delivered by this Agreement will be deemed to be delivered: (a) at the time delivered by hand; (b) at the time delivered via computer transmission and, in the case of any amounts due, at the time Franchisor actually receives payment; (c) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (d) three (3) business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid. Any notice to Franchisor must be accompanied by a copy to Greenberg Traurig, LLP, 200 Park Avenue, Florham Park, New Jersey 07932-0677, Attn: David W. Oppenheim, Esq. Franchisor may change these addresses for notice by giving Franchisee notice of the new address(es). Franchisee may change the person and/or address for notice only by giving Franchisor thirty (30) days' prior notice by any of the means specified in clauses (a) through (d) above.

(b) Franchisee acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that

Franchisor and Franchisee may utilize e-mail for such communications. Franchisee authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates ("**Official Senders**") to Franchisee during the Term. Franchisee further agrees that: (a) Official Senders are authorized to send e-mails to those of Franchisee's employees as Franchisee may occasionally authorize for the purpose of communicating with Franchisor; (b) Franchisee will cause its officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) Franchisee will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with Franchisee; and (d) Franchisee will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term. The consent given in this Section 23(b) shall not apply to the provision of notices by either party under this Agreement pursuant to Section 23(a) using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

24. Successors and Assigns. Subject to Section 14, which restricts Franchisee's rights to assign this Agreement and their rights hereunder, this Agreement will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs and successors. Any attempt by Franchisee to assign this Agreement, or any of their rights hereunder, or to delegate their obligations hereunder, without compliance with the terms of Section 14 will be void. Notwithstanding anything contained in this Agreement to the contrary, Franchisor may assign this Agreement, or any of its rights hereunder, or delegate any of its obligations hereunder without the consent of Franchisee or any other person.

25. Amendment, Modification, Waiver or Deferral, Force Majeure.

(a) Notwithstanding anything contained in this Agreement to the contrary, Franchisor retains the right to modify and amend Franchisor's Confidential Operations Manual and to issue rules, regulations, instructions, policies and procedures for the conduct of the Restaurant from time to time, in its sole discretion, without obtaining the consent or approval of Franchisee.

(b) Except as described 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 Franchisee and by Franchisor's President, or by another person designated in writing to Franchisee by one of such persons, on Franchisor's behalf.

(c) 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 their rights under this Agreement; provided, however, that any breach or default of Franchisor will be deemed to be waived ninety (90) days after the occurrence of this breach or default unless Franchisee provides written notice of this breach or default to Franchisor within this ninety (90)-day period. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

(d) Notwithstanding anything contained in this Agreement to the contrary, at any time that Franchisee or any of their Affiliates is in breach of their obligations under this Agreement, or any other agreement between Franchisee or any of their Affiliates and Franchisor or any of its Affiliates, Franchisor (or its Affiliate) may elect to defer the performance of Franchisor's (or its Affiliate's) obligations under this Agreement or such other agreement, or defer the opening of one or more of Franchisee's Restaurants, until Franchisee's (or its Affiliate's) breach has been cured. Franchisor's (or its Affiliate's) exercise of that right will not constitute a waiver of its rights under this Agreement or such other agreement, including Franchisor's (or its Affiliate's) right to terminate this Agreement or such other agreement. In addition, Franchisor's (or its Affiliate's) exercise of that right will not serve as a basis for any claim by Franchisee (or their Affiliate) that Franchisor did not perform its obligations in a timely manner.

(e) Neither Franchisor nor Franchisee will be liable for loss or damage or be in breach of this Agreement if failure to perform a party's obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of contributions due afterward.

26. Severable Provisions; Enforceability. Each provision of this Agreement is intended to be independent of and severable from the others. If any provision or any portion of a 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. It is the intention and the agreement of the parties to this Agreement that the noncompetition and confidential information provisions described in Section 12 of this Agreement be enforceable to the maximum extent permitted by law and, to that end, understand and agree that said provisions may be limited or modified by a court of competent jurisdiction to ensure enforceability thereof. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

27. Entire Agreement. This Agreement, including the other agreements contained as exhibits to Franchisor's Franchise Disclosure Document and Confidential Operations Manual (as amended from time to time), contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings

between the parties with respect to that subject matter. Each of the other agreements contained as exhibits to Franchisor's Franchise Disclosure Document and Franchisor's Confidential Operations Manual are incorporated in this Agreement by this reference and constitutes a part of this Agreement. Notwithstanding this Section 27, nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

28. Terminology. All references in this Agreement to the term "including" means "including, without limitation." All references in this Agreement to the term "entity" include, among other things, a trust. Unless expressly provided to the contrary, any reference in this Agreement to Franchisor's discretion or judgment means Franchisor's sole and absolute discretion or judgment, and any determination (such as approval or consent), decision or judgment required or permitted to be taken or given by Franchisor will be subject to Franchisor's sole and absolute discretion. All captions, headings or titles 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. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

29. Counterparts. This Agreement may be signed in two or more counterparts, each of which will be considered the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

30. Dispute Resolution.

(a) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(b) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of North Carolina, without regard to its conflict of laws rules, provided, however, that any North Carolina law regulating the sale of franchises or governing the

relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section 30(b).

(c) Consent to Jurisdiction. You and we agree that, to the extent any disputes cannot be resolved directly between us, you will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where the Restaurant is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(d) Waiver of Certain Damages and Rights. You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(e) Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(f) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 30 shall survive the expiration or earlier termination of this Agreement.

(g) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of the Restaurant, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(h) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, the failure to comply with all confidentiality and



post-termination obligations, is likely to cause irreparable harm to us, our Affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the confidentiality or post-termination terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

(i) Certain Disputes Exempted. Notwithstanding anything contained in this Agreement to the contrary, Section 17(a) does not apply in cases where Franchisor brings an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Franchisor's goodwill, the Confidential Information, the Marks or other property or for fraudulent conduct by Franchisee or the delay resulting from the mediation process may adversely affect Franchisor's financial condition or endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist).

(j) Survives Termination. The provisions of this Section 30 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

(k) Election to Resolve Claims. This Section 30 is an election to require most claims, disputes, and controversies to be submitted to mediation before a claim may be filed in court. The parties agree and understand that they are waiving certain rights to seek redress and any right to a jury trial. The parties understand that the rules applicable to arbitrations and the rights of parties in arbitrations differ from the rules and rights applicable in court.

31. Attorneys' Fees. In the event of any Event of Default, or if any claim, controversy or dispute arising out of or relating to this Agreement, any the breach thereof, or the parties' relationship, Franchisee must pay to Franchisor all damages, costs and expenses, including all late fees, collection fees, interest and Franchisor's reasonable investigation and attorneys' fees and costs incurred in connection with any proceeding, or as a result of any breach by Franchisee or Event of Default, as well as the costs of any experts and investigation relating thereto. Nothing herein in any way restricts Franchisor's right to recover monetary damages, injunctive relief and/or any and all other remedies available to Franchisor, in addition to its attorneys' fees and costs. All such interest, damages, costs and expenses may be included in and form part of the judgment awarded to Franchisor in any proceeding between the parties.

32. Remedies Cumulative. The remedies of the parties under this Agreement are cumulative and will not exclude any other remedies to which any party may be lawfully entitled.

33. Construction. The preambles and exhibits are a part of this Agreement which, together with any addenda or riders signed at the same time as this Agreement, constitutes the parties' entire agreement, and supersedes all prior and contemporaneous oral or written agreements and understandings between the parties' relating to the subject matter of this Agreement. There are no other oral or written understandings or agreements between the parties,

or oral or written representations by Franchisor, relating to the subject matter of this Agreement, the franchise relationship, or the Restaurant (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation made by Franchisor in our most recent franchise disclosure document (including exhibits and amendments) delivered to Franchisee or Franchisee's representative. Any policies that Franchisor adopts and implements at any time and from time to time to guide Franchisor in Franchisor's decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor. Except as otherwise provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold Franchisor's approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed, initiated, or completed actions that require Franchisor's approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Franchisee or Franchisor. "Control" means the power to direct or cause the direction of management and policies. The words "include" and "including" are meant to be illustrative and not exhaustive and are deemed to be read in all cases as "including, without limitation" and/or "including but not limited to."

34. Additional Actions. Each party agrees to do all acts and things and to make, sign and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

35. Computation of Time. Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under North Carolina law, the party having that privilege or duty will have until 5:00 p.m. Charlotte, North Carolina time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

36. Currency. Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

37. Authority. Any individual signing below on behalf of a corporation, partnership, limited liability company or other entity personally represents that they have full authority to bind the party or parties on whose behalf they are signing.

38. LIMITED LIABILITY FOR FRANCHISOR'S RELATED PARTIES. FRANCHISEE AGREES THAT NO PAST, PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE, INCORPORATOR, MEMBER, PARTNER, STOCKHOLDER, SUBSIDIARY,

AFFILIATE, OWNER, ENTITY UNDER COMMON CONTROL, OWNERSHIP OR MANAGEMENT, VENDOR, SERVICE PROVIDER, AGENT, ATTORNEY OR REPRESENTATIVE OF FRANCHISOR WILL HAVE ANY LIABILITY FOR (I) ANY OF FRANCHISOR'S OBLIGATIONS OR LIABILITIES RELATING TO OR ARISING FROM THIS AGREEMENT; (II) ANY CLAIM AGAINST US BASED ON, IN RESPECT OF, OR BY REASON OF, THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR, OR (III) ANY CLAIM AGAINST FRANCHISOR BASED ON ANY ALLEGED UNLAWFUL ACT OR OMISSION OF FRANCHISOR.

39. COVENANT OF GOOD FAITH. IF APPLICABLE LAW IMPLIES A COVENANT OF GOOD FAITH AND FAIR DEALING IN THIS AGREEMENT, THE PARTIES HERETO AGREE THAT THE COVENANT WILL NOT IMPLY ANY RIGHTS OR OBLIGATIONS THAT ARE INCONSISTENT WITH A FAIR CONSTRUCTION OF THE TERMS OF THIS AGREEMENT. ADDITIONALLY, IF APPLICABLE LAW WILL IMPLY THE COVENANT, FRANCHISEE AGREES THAT: (I) THIS AGREEMENT (AND THE RELATIONSHIP OF THE PARTIES HERETO THAT IS INHERENT IN THIS AGREEMENT) GRANTS FRANCHISOR THE JUDGMENT TO MAKE DECISIONS, TAKE ACTIONS AND/OR REFRAIN FROM TAKING ACTIONS NOT INCONSISTENT WITH FRANCHISOR'S EXPLICIT RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT THAT MAY FAVORABLY OR ADVERSELY AFFECT FRANCHISEE'S INTERESTS; (II) ANY JUDGMENT FRANCHISOR EXERCISES WILL BE BASED ON FRANCHISOR'S ASSESSMENT OF FRANCHISOR'S OWN INTERESTS AND BALANCING THOSE INTERESTS AGAINST THE INTERESTS OF FRANCHISOR'S FRANCHISE OWNERS GENERALLY, AND SPECIFICALLY WITHOUT CONSIDERING FRANCHISEE'S INDIVIDUAL INTERESTS OR THE INDIVIDUAL INTERESTS OF ANY OTHER PARTICULAR FRANCHISE OWNER; (III) FRANCHISOR WILL HAVE NO LIABILITY TO FRANCHISEE FOR THE EXERCISE OF FRANCHISOR'S JUDGMENT IN THIS MANNER, SO LONG AS THE JUDGMENT IS NOT EXERCISED IN BAD FAITH; AND (IV) IN THE ABSENCE OF BAD FAITH, NO TRIER OF FACT IN ANY ARBITRATION OR LITIGATION WILL SUBSTITUTE ITS JUDGMENT FOR FRANCHISOR'S JUDGMENT SO EXERCISED.

40. MULTIPLE FORMS OF AGREEMENT. FRANCHISEE ACKNOWLEDGES AND AGREES THAT THERE MAY BE MORE THAN ONE FORM OF AGREEMENT IN EFFECT BETWEEN FRANCHISOR AND FRANCHISOR'S VARIOUS RESTAURANT FRANCHISE OWNERS; THOSE OTHER AGREEMENTS MAY CONTAIN PROVISIONS THAT MAY BE MATERIALLY DIFFERENT FROM THE PROVISIONS CONTAINED IN THIS AGREEMENT; AND FRANCHISEE IS NOT ENTITLED TO RELY ON ANY PROVISION OF ANY OTHER AGREEMENT WITH OTHER RESTAURANT FRANCHISE OWNERS WHETHER TO ESTABLISH COURSE OF DEALING, WAIVER, OR ESTOPPEL, OR FOR ANY OTHER PURPOSE.

41. Compliance with Anti-Terrorism Laws. Franchisee and Franchisee's owners agree to comply, and to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply, with all applicable legislation, laws, regulations, rules, ordinances, administrative orders, decrees and policies of any court, arbiter, government, governmental agency, department,

or similar organization that are in effect from time to time pertaining to: (a) the various anti-terrorism, economic sanctions, and anti-money laundering and narco-trafficking laws, regulations, orders, decrees and guidelines of the U.S. Department of the Treasury's Office of Foreign Assets Control, (b) the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended, (c) the provisions of United States Executive Order 13224, (d) the U.S. Prevention of Corruption Act 1988, (e) the U. S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd 2, (e) relevant multilateral measures such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption, (f) bribery and anti-corruption laws, (g) the laws against money laundering, and (h) the laws against facilitating or supporting persons who conspire to commit these and other crimes against any person or government. Franchisee immediately shall notify Franchisor in writing if a potential violation of any of the foregoing legislation, laws, regulations, rules, ordinances, administrative orders, decrees and/or policies has occurred or is suspected to have occurred. Franchisee immediately shall provide Franchisor with copies of any communication to or from any such agency, government, or commission that relates to or affects this Agreement, the Restaurant, or the Marks. Any failure to comply with this section by Franchisee or Franchisee's owners, or any blocking of Franchisee or Franchisee's owners' assets under any of such laws, legislation, regulations, orders, decrees and/or policies shall constitute good cause for immediate termination of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**NAME OF FRANCHISEE:** [NAME]

Check One: \_\_\_\_\_ Individual \_\_\_\_\_ Corporation  
\_\_\_\_\_ General Partnership \_\_\_\_\_ Limited Partnership  
\_\_\_\_\_ Limited Liability Franchisor \_\_\_\_\_ Other Entity (Identify) \_\_\_\_\_

State of Organization or Residence: \_\_\_\_\_

Executed By: \_\_\_\_\_ (Sign Name)

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

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

Name of Entity: \_\_\_\_\_

If executed on behalf of a corporation, a partnership, a limited liability company or another type of entity, list title: \_\_\_\_\_

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

Phone No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Email: \_\_\_\_\_

Supervising Principal or General Manager: \_\_\_\_\_

Principals of Franchisee (Shareholders, Partners, Members, Etc.---Total MUST equal 100%)

Name: \_\_\_\_\_ % Ownership: \_\_\_\_\_

**FRANCHISOR:**

INTELLIGRATION CAPITAL BB, LLC

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

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

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

**EXHIBIT 1**

**TO THE FRANCHISE AGREEMENT**

**CONSENT OF SPOUSE**

**(to be executed if Franchisee is a married individual)**

The undersigned is the spouse of the Franchisee identified in the Franchise Agreement, dated as of \_\_\_\_\_, between their spouse and INTELLIGRATION CAPITAL BB, LLC (the “*Agreement*”), to which this Consent of Spouse is attached.

The undersigned hereby declares that they have read the Agreement, including each of the documents that are exhibits to or referenced in the Agreement, in its entirety and, being fully convinced of the wisdom and equity of the terms of the Agreement, including each of the documents that are exhibits to or referenced in the Agreement, and in consideration of the premises and of the provisions of the Agreement, the undersigned hereby expresses their acceptance of the same and does agree to its provisions.

The undersigned further agrees that in the event of the death of their spouse, the provisions of this Agreement, including each of the documents that are exhibits to or referenced in the Agreement, will be binding upon him/her.

The undersigned further agrees that they will at any time make, execute and deliver such instruments and documents which may be necessary to carry out the provisions of the Agreement, including each of the documents that are exhibits to or referenced in the Agreement.

This instrument is not a present transfer or release of any rights which the undersigned may have in any of the community property of their marriage.

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Spouse)

\_\_\_\_\_  
(Print Name of Spouse)

**EXHIBIT 2**

**TO THE FRANCHISE AGREEMENT**

**THE SITE SELECTION AREA, PREMISES AND FRANCHISE TERRITORY**

1. The Site Selection Area (if applicable) shall be:

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2. The Premises of the Restaurant will be located at:

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3. The Franchise Territory shall be:

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**FRANCHISOR:**

**FRANCHISEE:**

INTELLIGRATION CAPITAL BB, LLC

[NAME]

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

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

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

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

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

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

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

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

**EXHIBIT 3**

**TO THE FRANCHISE AGREEMENT**

**NONDISCLOSURE AND NON-COMPETITION AGREEMENT**

**THIS NONDISCLOSURE AND NON-COMPETITION AGREEMENT** (this “Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, is executed by \_\_\_\_\_ (“Individual,” “me,” or “I”) for the benefit of **INTELLIGRATION CAPITAL BB, LLC**, a Delaware limited liability company (“Franchisor”), and for \_\_\_\_\_, a/an \_\_\_\_\_ (“Franchisee”).

Franchisee is a franchisee of Franchisor pursuant to a franchise agreement entered into by those parties concerning a restaurant operating, or to be operated, under the “Bobby’s Burgers by Bobby Flay” name at \_\_\_\_\_ (the “Franchise Agreement”). The franchised business Franchisor authorizes Franchisee to operate under the Franchise Agreement is known as the “Restaurant,” which Restaurant is one among all restaurants that Franchisor owns, operates, or franchises under the “Bobby’s Burgers by Bobby Flay” name. I agree that, unless otherwise specified, all capitalized terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity, Franchisor’s proprietary and confidential information relating to the development and operation of Restaurants, including but not limited to the following concerning Restaurants: (1) site selection criteria and plans and specifications for the development of Restaurants (2) ingredients, recipes and related information concerning any food items; (3) training and operations materials and manuals; (4) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Restaurants; (5) marketing, promotional and advertising research and programs for Restaurants; (6) knowledge of specifications for and suppliers of products and supplies, including supplier pricing and related terms; (7) any computer software or similar technology which is proprietary to Franchisor or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (8) knowledge of the operating results and financial performance of Restaurants other than the Restaurant; (9) graphic designs and related intellectual property; (10) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; (11) all data and other information generated by, or used in, the operation of the Restaurant, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information contained at any time and from time to time in any computer hardware and/or operating software that Franchisor specifies or that visitors to the Restaurant (including Franchisee and its personnel) provide to the website for the network of Restaurants; (12) future business plans relating to Restaurants and the Restaurant franchise Bobby’s Burgers by Bobby Flay



opportunity, including expansion and development plans; and (13) any and all other information Franchisor provides to me, Franchisee, Franchisee's owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential (collectively, all information referenced above, including examples (1) through (13), is known as the "Confidential Information").

Furthermore, any and all information, knowledge, know-how, techniques and information which the entities mentioned above (or their officers) designate as confidential is considered, and hereby acknowledged by me, to be Confidential Information for the purposes of this Agreement, except information which I can demonstrate lawfully came to my attention before Franchisor provided it to me directly or indirectly; which, at the time Franchisor disclosed it to me, already had lawfully become generally known in the food-service industry through publication or communication by others (without violating an obligation to Franchisor); or which, after Franchisor discloses it to me, lawfully becomes generally known in the food-service industry through publication or communication by others (without violating an obligation to Franchisor). However, if Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled. I specifically understand that, without limitation, all the above items, concepts, and/or examples contained in the preceding paragraph constitute Confidential Information of Franchisor, and I will not divert any business to competitors of Franchisee and/or Franchisor. I (1) will not use Confidential Information in any other business or capacity; (2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the term and any renewal term of this Agreement and then thereafter for as long as the item is not generally known in the food-service industry; (3) will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that Franchisor may have authorized or approved in its sole judgment; (4) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; (5) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Restaurant personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information; and (6) will notify Franchisor within twenty-four (24) hours of any unauthorized use or disclosure of Confidential Information (whether by Franchisee or any Restaurant employees or personnel).

In addition, all ideas, concepts, techniques, or materials relating to a Restaurant, whether or not protectable intellectual property and whether created by or for Franchisee or Franchisee's owners or employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent that any item does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Franchisee hereby assigns ownership of that item, and all related rights to that item, to Franchisor, hereby waives all moral rights in that item, and hereby agrees to take whatever action (including signing assignment or other documents) Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the item (including signing assignment or other documents, and causing Franchisee's owners, employees and contractors to

do the same). Franchisee may not use any such idea, concept, technique or material in connection with the Restaurant without Franchisor's prior approval.

I further agree that, during the term of my employment/service/association or ownership participation, I will not, (1) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); (2) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating; (3) divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business; (4) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, any Competitive Business or any owner, director, officer, manager, employee, agent or vendor of any Competitive Business, wherever located or operating; or (5) engage in any other activity which, in Franchisor's sole opinion, might injure the goodwill of the Marks and System. For purposes of this Agreement, a "Competitive Business" means (i) a restaurant, food truck, kiosk and/or food distribution business that derives fifteen percent (15%) or more of its gross sales from the marketing or sale of burger and fries and related appetizers and desserts or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Restaurant operated under a franchise agreement with Franchisor). Despite the foregoing definition of a Competitive Business, nothing under this Agreement or the Franchise Agreement will prevent Individual from owning for investment purposes less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange, and so long as neither Individual nor Franchisee controls the company in question.

Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree:

(ii) to return immediately to Franchisor or Franchisee, as the case may be, all Confidential Information, and any material(s) containing a subset thereof, in my possession that was utilized, or to which I had access, during my employment, association, service or ownership participation; and

(iii) for a period of one (1) year, starting on the earlier of the effective date of termination or expiration of my employment/service/association or ownership participation, to refrain from directly or indirectly (such as through any one or more of my spouse, legally-recognized domestic partner, parents, children or sibling(s) (collectively, "Immediate Family")) owning a legal or beneficial interest in, or rendering services or giving advice to: (a) any Competitive Business operating at the Premises or within a three (3)-mile radius of the Premises; (b) any Competitive Business operating within a radius of three (3) miles of any Restaurant in operation or under construction on the later of the effective date of termination or expiration of my employment/service/association/ ownership participation; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business.

I acknowledge and understand that the provisions of this Agreement, including my representations, covenants, and warranties (as applicable) given hereunder, are necessary and integral to this Agreement and to Franchisor's and Franchisee's interests under the Franchise Agreement, and are intended to:

- (i) preclude not only direct competition, but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor;
- (ii) bind any person or entity having any legal or beneficial interest in me, or traceable to, down or through me, including (without limitation) any of member of my Immediate Family, any direct or indirect beneficiary, any partner (general or limited) or proprietor of mine, and any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me; and
- (iii) identify for me, toward the goal of preserving through this Agreement, Franchisor's protectable legal interests in the System, customers of Restaurants, the Confidential Information, and the goodwill associated with the Marks.

I also expressly acknowledge my possession of skills and abilities of a general nature, and the opportunity for exploiting such skills in other ways than the operation or involvement in the activities of a Restaurant or a Competitive Business, so that enforcement of my covenants made in this Agreement will not deprive me of my personal goodwill or ability to earn a living after the effective date of expiration or termination of my relationship with Franchisee, the Restaurant, or Restaurants generally. If I fail or refuse to abide by any of my foregoing obligations or promises made under this Agreement, and Franchisor or Franchisee obtains enforcement in a judicial or arbitration proceeding, then my obligations and responsibilities specified under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or Franchisor or Franchisee seeks to enforce it, and will continue for one (1) year starting from the effective date of the order enforcing the covenant.

**I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both), in any appropriate jurisdiction and venue (notwithstanding other references to resolution of actions exclusively in Franchisor's home) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information under this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete under this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.**

Bobby's Burgers by Bobby Flay

2023 Franchise Disclosure Document – Exhibit 3-4 (Nondisclosure and Non-Competition Agreement) to Franchise Agreement (Exhibit C)

ACTIVE 684063028v6

If all, or any portion of, this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable), except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, the laws of the State of North Carolina, without regard to its conflict of laws rules, provided, however, that any North Carolina law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this paragraph. If, however, any provision of this Agreement would not be enforceable under the laws of the State of North Carolina, and if the Restaurant is located outside of the State of North Carolina and the provision would be enforceable under the laws of the state in which the Restaurant is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of North Carolina or any other state, which would not otherwise apply.

I further agree that, to the extent any disputes cannot be resolved directly between myself on the one hand, and Franchisee or Franchisor on the other hand, any lawsuit may only be filed in the federal or state court having jurisdiction where Franchisor’s principal offices are located at the time suit is filed. Franchisor may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where I reside or do business, where the Restaurant is or was located, or where the claim arose. I consent to the personal jurisdiction of those courts over me and to venue in those courts.

**I IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ME, FRANCHISEE OR FRANCHISOR.** I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

[Signatures on following page]

**IN WITNESS WHEREOF**, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, as of the day and year first written above.

**ATTESTED TO BY FRANCHISEE:**

**INDIVIDUAL:**

[NAME],  
a/an \_\_\_\_\_

\_\_\_\_\_  
[Name]

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

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

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

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

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

**WITNESS TO INDIVIDUAL'S  
SIGNATURE:**

\_\_\_\_\_  
[Name]

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

**EXHIBIT 4**

**TO THE FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

By (list each guarantor):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “*Agreement*”) on this date by Intelligration Capital BB, LLC (“*us,*” “*we,*” or “*our*”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“*Franchisee*”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Depending on the creditworthiness of each guarantor and the community property laws of the states in which they reside, we may require that the spouses of one or more guarantors execute this Guaranty as well. Each guarantor represents and warrants that, if no signature appears below for such guarantor’s spouse, such guarantor is either not married or, if married, is a resident of a state that does not require the consent of both spouses to encumber the assets of a marital estate or we have waived in writing any requirement that such spouse execute this Guaranty.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may at any time and 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 (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be

Bobby’s Burgers by Bobby Flay

2023 Franchise Disclosure Document – Exhibit 4-1 (Guaranty and Assumption of Obligation) to Franchise Agreement (Exhibit C)

ACTIVE 684063028v6

continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our 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 we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Franchisee and we agree that, to the extent any disputes cannot be resolved directly between us and Franchisee, Franchisee will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where Franchisee resides or does business, where the Restaurant (as defined in the Agreement) is or was located, or where the claim arose. Franchisee consents to the personal jurisdiction of those courts over it and to venue in those courts.

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

**Signatures Of Each Guarantor**

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**Percentage Of Ownership  
In Franchisee**

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 %  
Guarantor's Spouse  

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 %  
Guarantor's Spouse  

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 %  
Guarantor's Spouse  

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 %  
Guarantor's Spouse  

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 %  
Guarantor's Spouse



**Exhibit D**  
**Development Agreement Rider**

**DEVELOPMENT AGREEMENT RIDER  
TO INTELLIGRATION CAPITAL BB, LLC  
FRANCHISE AGREEMENT**

1. **Background.** This Development Agreement Rider (this “*Rider*”) is made between INTELLIGRATION CAPITAL BB, LLC, a Delaware limited liability company (“*we*,” “*us*,” or “*our*”) and \_\_\_\_\_ (“*you*” or “*your*”). This Rider is attached to, and intended to be a part of, that certain Franchise Agreement that we and you have signed concurrently with signing this Rider/entered into on \_\_\_\_\_ (the “*Franchise Agreement*”) for the operation of the “*Bobby’s Burgers by Bobby Flay*” Restaurant located at \_\_\_\_\_ (your “*Restaurant*”). We and you are signing this Rider because you want the right to develop additional “*Bobby’s Burgers by Bobby Flay*” Restaurants (besides the Restaurant covered by the Franchise Agreement) within a certain geographic area over a certain time period, and we are willing to grant you those development rights if you comply with this Rider. Capitalized terms not defined herein shall have the meanings defined in the Franchise Agreement.

2. **Grant of Development Rights.** Subject to your strict compliance with this Rider, we grant you the right to develop \_\_\_\_ ( ) new Restaurants (including the Restaurant covered by the Franchise Agreement), according to the mandatory development schedule described in Exhibit A to this Rider (the “*Schedule*”), within the following geographic area (the “*Area*”):  
\_\_\_\_\_

If you (and, to the extent applicable and with our approval, your affiliated entities) are fully complying with all of your obligations under this Rider, and are fully complying with all of your obligations under the Franchise Agreement and all other franchise agreements then in effect between us and you (and, to the extent applicable and with our approval, your affiliated entities) for the development and operation of Restaurants, then during this Rider’s term only, we (and our affiliates) may not establish or operate (except to the extent that we already operate Restaurants in the Area), or grant to others the right to establish or operate, a Restaurant, the physical premises of which are located within the Area; *provided, however*, that this Section 2 shall not restrict us from establishing and operating, or granting others the right to establish or operate, Restaurants in the Area located at Special Locations.

Except for the Restaurant location restriction above, there are no restrictions that this Rider imposes on our (and our affiliates’) activities within the Area during this Rider’s term. You acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Area, including, without limitation, those rights we reserve in the Franchise Agreement. After this Rider expires or is terminated (regardless of the reason for termination), we and our affiliates have the right to establish and operate, and grant to others the right to establish and operate, Restaurants, the physical premises of which are located within the Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Area without any restrictions whatsoever. Except for our control of social media accounts, we generally do not restrict the persons you solicit, or the methods by which you promote the Restaurant. However, if you utilize any form of direct advertising directed at defined prospective customers, the

advertising may be directed only to customers located within your Area. We do not limit customers from outside your Area from ordering food or products from your Restaurant.

YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS RIDER AND THAT YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE SCHEDULE. WE MAY ENFORCE THIS RIDER STRICTLY.

3. **Development Obligations.** To maintain your rights under this Rider, you (and/or affiliated entities we approve) must (i) sign franchise agreements for and have open and operating the agreed-upon number of Restaurants in the Area by the dates specified in the Schedule, (ii) not be in default under this Rider or any other development, franchise, or other agreement between us and you, (iii) have all Restaurants operated by you in full compliance with all operational and other requirements, rules and policies contained in the Confidential Operations Manual, and (iv) qualify for acceptance as a franchisee under our then-current qualifications (including, without limitation, financial qualifications) for franchisees. You (and/or the approved affiliated entity) will operate each Restaurant under a separate franchise agreement with us. The franchise agreement (and related documents, including Guaranty and Assumption of Obligations) that you (and your owners) sign for each additional Restaurant will be our then current form of franchise agreement (and related documents), any and all of the terms of which may differ materially from any and all of the terms contained in the Franchise Agreement (and related documents). However, despite any contrary provision contained in the newly-signed franchise agreements, your additional Restaurants must be open and operating by the dates specified in the Schedule. To retain your rights under this Rider, each of your Restaurants must operate continuously throughout this Rider's term in full compliance with its franchise agreement.

4. **Subfranchising Rights.** This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to operate Restaurants. Only you (and/or affiliated entities we approve) may develop, open, and operate Restaurants pursuant to this Rider. This Rider also does not give you (or your affiliated entities) any independent right to use the "***Bobby's Burgers by Bobby Flay***" trademark or our other trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This Rider only grants you potential development rights if you comply with its terms.

5. **Territory Reservation Fee.** As consideration for the development rights we grant you in this Rider, you must pay us, at the same time you sign this Rider, a total of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "***Territory Reservation Fee***"), which equals (a) the Thirty Thousand Dollar (\$30,000) initial franchise fee due under the Franchise Agreement plus (b) Ten Thousand Dollars (\$10,000) for the Restaurant you develop under the Franchise Agreement and each subsequent Restaurant you agree to develop under the Schedule. Our initial franchise fee for the first and each additional Restaurant you develop pursuant to this Rider is Thirty Thousand Dollars (\$30,000), and the full Thirty Thousand Dollar (\$30,000) initial franchise fee for the second and each additional Restaurant is due when you sign the franchise agreement for that Restaurant. The Territory Reservation Fee is consideration

for the rights we grant you in this Rider and for reserving the Area for you to the exclusion of others, is fully earned by us when we and you sign this Rider, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Schedule and we then terminate this Rider for that reason.

6. **Grant of Franchises.** You must submit to us a separate application for each Restaurant you wish to develop pursuant to this Rider. You agree to give us all information and materials we request in order to assess each proposed site. We will supply you with our site selection criteria and may put you in contact with a commercial real estate broker in the Area; however, we will not conduct site selection activities for you. In granting you the development rights under this Rider, we are relying on your knowledge of the real estate market and your ability to locate and access sites. We will not unreasonably withhold acceptance of any proposed site if the site meets our then current site criteria. However, we have the absolute right not to accept any site not meeting these criteria. If we accept a proposed site, you agree, within the time period we specify (but no later than the date specified in the Schedule), to sign a separate franchise agreement (and related documents) for the Restaurant and to pay us the remaining portion of the initial franchise fee due, if any. If you do not do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site. After you (and your owners) sign the franchise agreement (and related documents, including Guaranty and Assumption of Obligations), its terms and conditions will control your development and operation of the Restaurant (except that the required opening date is governed exclusively by this Rider).

In addition to our rights with respect to proposed Restaurant sites, we may delay your development of additional Restaurants pursuant to this Rider for the time period we deem best if we believe, when you submit your application, that you are not yet operationally, managerially, or otherwise prepared, due to the particular amount of time that has elapsed since you developed and opened your most recent Restaurant, to develop, open and/or operate the additional Restaurants in full compliance with our standards and specifications. We may delay additional development for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Schedule (unless we are willing to extend the Schedule proportionately to account for the delay).

7. **Term.** This Rider's term begins on the date we and you sign it and ends on the date when (a) the final Restaurant to be developed under the Schedule has opened (or, if earlier, must have opened) for business, or (b) this Rider otherwise is terminated.

8. **Termination.** We may terminate this Rider and your right to develop Restaurants within the Area at any time, effective upon delivery to you of written notice of termination: (a) if you fail to satisfy either your development obligations under the Schedule or any other obligation under this Rider, which defaults you have no right to cure; or (b) if the Franchise Agreement, or any other franchise agreement between us and you (or your affiliated entity) for a Restaurant, is terminated by us in compliance with its terms or by you (or your affiliated entity) for any (or no) reason; or (c) if we have delivered a formal written notice of default to you (or your affiliated entity) under the Franchise Agreement, or any other franchise agreement between us and you (or your affiliated entity) for a Restaurant, whether or not you (or your affiliated entity) cure that default and whether or not we subsequently terminate the Franchise Agreement

or the other franchise agreement. No portion of the Territory Reservation Fee is refundable upon a termination of this Rider or under any other circumstances.

Upon the occurrence of any of the events above in this Section 8 during the term of this Rider, if one or more of your Franchise Agreements remains in effect, we may not establish or grant any franchise to a third party for the establishment of a Restaurant within the Franchise Territory.

A termination of this Rider is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Franchise Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. A termination of this Rider does not affect any franchise rights granted under any then-effective individual franchise agreements.

9. **Right of First Offer.** Notwithstanding anything to the contrary contained in this Rider, provided that (i) you have substantially complied with the terms of this Rider, including but not limited to satisfaction of the Schedule; (ii) you satisfy our then current financial criteria for franchisees, and (iii) no event of default relating to any monetary obligations owed to us or our affiliates under this Rider, any franchise agreement or any other agreement between you or any of your affiliates and us or any of our affiliates has (A) occurred and is continuing; or (B) occurred during the twelve (12) months preceding your request for consent, whether or not such event of default was cured or curable, you shall have a right of first offer (“**ROFO**”) to develop Restaurants within the Area after the expiration of this Rider and through the one year anniversary of the expiration of this Rider (“**ROFO Period**”); provided that nothing in this Section will prohibit us from exercising any of its reserved rights under Section 2 of this Rider during the ROFO Period.

The ROFO shall be triggered by us providing written notice to you during the ROFO Period that we desire to develop and operate, or grant rights to a third party to develop and operate, a Restaurant within the Area. You shall have twenty (20) days from the receipt of such notice to exercise the ROFO by signing our then current form of Franchise Agreement.

The deadlines set forth in this Section 8 are subject to our then current ability to comply with all applicable franchise-specific or other disclosure obligations, and such deadline may be reasonably extended by us to ensure such compliance.

Any failure by you to fully satisfy all the conditions of this Section 8 or to execute definitive agreements within the express time frames set by us will be deemed a waiver of your rights under this Rider.

You may not transfer or assign the ROFO to any third party except in connection with a transfer of substantially all of your assets (including the Franchise Agreement).

If you do not fully and timely exercise the ROFO once triggered by us or if the ROFO Period expires without being triggered by us, then the ROFO shall automatically expire and we shall have all rights to develop and operate, or authorize any third party to develop and operate Restaurants within some or all of the Area as and when we deem appropriate.

10. **Assignment.** Your development rights under this Rider are not assignable at all. This means that we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be prohibited) if there is an assignment of the Franchise Agreement, any change in your ownership (whether or not it is a controlling ownership interest), any change in your owners' ownership (if such owners are legal entities and whether or not it is a controlling ownership interest), a transfer of this Rider separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights.

11. **Incorporation of Other Terms.** Sections 10, 20, 23, 26, 30(a), 30(b), 30(c), 30(d), 30(g), 30(k), 31, 32, 33, 37, 38, 39, 40, 41 of the Franchise Agreement, entitled "*Indemnification*," "*Relationship of the Parties*," "*Notices*," "*Several Provisions; Enforceability*," "*Mediation*," "*Governing Law*," "*Consent to Jurisdiction*," "*Waiver of Certain Damages and Rights*," "*Limitations of Claims*," "*Election to Resolve Claims*," "*Attorneys' Fees*," "*Remedies Cumulative*," "*Construction*," "*Authority*," "*Limited Liability for Franchisor's Related Parties*," "*Covenant of Good Faith*," "*Multiple Forms of Agreement*," and "*Compliance with Anti-Terrorism Laws*," respectively, are incorporated by reference in this Rider and will govern all aspects of this Rider and our and your relationship as if fully restated within the text of this Rider.

12. **Agreement to Control.** Except as provided in this Rider, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Rider, the terms of this Rider will control.

[Signature Page Follows.]

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**INTELLIGRATION CAPITAL BB, LLC**

**FRANCHISE OWNER**

[NAME]

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

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

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

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

**EXHIBIT A**  
**TO DEVELOPMENT AGREEMENT RIDER**

You agree to develop and open \_\_\_\_ ( ) new Restaurants in the Area, including the Restaurant that is the subject of the Franchise Agreement, according to the following Schedule:

<b>Restaurant Number</b>	<b>Date by which Franchise Agreement Must be Signed</b>	<b>Date by which Lease Must be Submitted</b>	<b>Date by which Restaurant Must be Opened</b>	<b>Cumulative Number of Restaurants to Be Open and Operating in the Area No Later than the Opening Dates (in previous column)</b>
1	Concurrently with this Rider			1
2				2
3				3
4				4
5				5

**INTELLIGRATION CAPITAL BB, LLC**

**FRANCHISE OWNER**

[NAME]

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

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

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

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

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

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

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

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



**Exhibit E**

**EFT Preauthorization**

**AUTHORIZATION TO HONOR CHECKS DRAWN BY AND PAYABLE TO:  
INTELLIGRATION CAPITAL BB, LLC (THE "PAYEE")**

- 1. Bank Account in the Name of: \_\_\_\_\_
- 2. Store #: \_\_\_\_\_
- 3. Bank Account Number: \_\_\_\_\_
- 4. Routing Number: \_\_\_\_\_

To The Bank Designated:

You are hereby requested and authorized to honor and to charge to the account described checks drawn on such account which are payable to the above named Payee. The name(s) of the depositor(s) on such checks will be printed by standard business machines. It is agreed that your rights with respect to each such check shall be the same as if it bore a signature authorized for such account. It is further agreed that if any such check is not honored, whether with or without cause you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

- 5. Date: \_\_\_\_\_
- 6. Name of Franchisee (please print): \_\_\_\_\_  
Type of Business: \_\_\_\_\_  
Executed by: \_\_\_\_\_
- 7. Full Name of Bank: \_\_\_\_\_
- 8. Street Address: \_\_\_\_\_
- 9. City, State & Zip Code: \_\_\_\_\_

**Indemnification Agreement**

To The Bank Designated:

In consideration of your compliance with the request and authorization printed on the Authorization Form hereof, the Payee agrees with respect to any such action:

- 1. To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any check, draft or order, whether or not genuine, purporting to be executed by the Payee and received by you in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- 2. To indemnify you for any loss arising in the event that any such check, draft or order shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- 3. To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing request, or

in any manner arising by reason of your participation.

NOTICE TO FRANCHISEE:	1. ATTACH ONE VOIDED CHECK HERE.
	2. BE SURE ALL 9 SPACES SHOWN ABOVE ARE COMPLETED.
	3. RETURN ALL THREE COPIES IMMEDIATELY.

**Exhibit F**  
**Form of General Release**

## GENERAL RELEASE

**THIS GENERAL RELEASE (“Release”)** is executed on \_\_\_\_\_ by \_\_\_\_\_ (“**Franchisee**”) and \_\_\_\_\_ (“**Guarantors**”) as a condition of [PICK ONE]: the transfer of a Restaurant between Franchisee and Intelligation Capital BB, LLC (“**BB**”) [or] renewal of the Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) between Franchisee and BB [or] between Franchisee and a new franchisee [or] the termination of the Restaurant Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) between Franchisee and BB.

1. **Release by Franchisee and Guarantors.** Franchisee (if Franchisee is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Franchisee is an individual, on behalf of himself/herself and his/her/their heirs, representatives, successors and assigns) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, “**Franchisee Releasers**”) freely and without any influence forever release and covenant not to sue BB and its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, shareholders, agents and employees, in their corporate and individual capacities, (collectively “**BB Releasees**”) with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “**Claims**”), which any Franchisee Releaser ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to the Franchise Agreement and all other agreements between any Franchisee Releaser and any BB Releasee, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

IF FRANCHISEE OR GUARANTORS ARE BASED IN CALIFORNIA: Franchisee and Guarantors (on behalf of the Franchisee Releasers) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

2. **Risk of Changed Facts.** Franchisee and Guarantors understand that the facts in respect of which the Release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **No Prior Assignment.** Franchisee and Guarantors represent and warrant that the

Franchisee Releasors are the sole owners of all Claims and rights released hereunder and that the Franchisee Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. **Covenant Not to Sue.** Franchisee and Guarantors (on behalf of the Franchisee Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. **Complete Defense.** Franchisee and Guarantors: (A) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (B) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of BB and each Franchisee Releasor.

7. **Governing Law.** This Release and all claims relating to this Release shall be governed by and construed under the law of the State of North Carolina. BB, Franchisee, and Guarantor shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where BB's principal offices are located. BB may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee or Guarantors reside or do business, or where the claim arose.

8. **Miscellaneous.**

A. This Release constitutes the entire, full, and complete agreement between the parties concerning the release of Claims by the parties and supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. Except as expressly identified in this Release, no amendment, change or variance from this Release shall be binding on either party unless mutually agreed to by the parties and executed in writing.

B. The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

C. The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders, or regulations.

D. All terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

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

F. This Release may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original.

**IN WITNESS WHEREOF**, Franchisee and Guarantors have executed this Release as of the date shown above.

**FRANCHISEE:** (if Franchisee is an entity)

[NAME]

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

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

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

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

**GUARANTOR:**

\_\_\_\_\_  
[Name]

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

**GUARANTOR:**

\_\_\_\_\_  
[Name]

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

**Exhibit G**  
**Franchisor Lease Addendum**



## FRANCHISOR LEASE ADDENDUM

THIS **FRANCHISOR LEASE ADDENDUM** is entered into this \_\_\_\_\_ (“**Effective Date**”) by and among Intelligration Capital BB, LLC, a Delaware limited liability company with its principal office at 2115 Rexford Road, Suite 530, Charlotte, NC 28211 (“**Franchisor**” or “**Assignee**”); \_\_\_\_\_ with its principal office at \_\_\_\_\_ (“**Landlord**”) with its principal office at \_\_\_\_\_; and \_\_\_\_\_ with its principal office at \_\_\_\_\_ (“**Lessee**” or “**Assignor**”).

WHEREAS, Landlord has agreed to lease, license, or other make available a restaurant location located at \_\_\_\_\_ (the “**Premises**”) pursuant to an agreement between Landlord and Lessee dated \_\_\_\_\_ for use by Lessee as a Bobby’s Burgers by Bobby Flay restaurant (“**Restaurant**”) operated under Franchisor’s system and proprietary marks under a written Franchise Agreement between Franchisor and Lessee as franchisee (“**Franchise Agreement**”);

WHEREAS, under the terms of the Franchise Agreement, all right, title and interest in the lease and this Addendum (“**Lease**”) must be transferred to Franchisor, if Franchisor, in its sole and absolute right, exercises any option to purchase the assets of the Restaurant contained in the Franchise Agreement.

WHEREAS, it is the intent of the parties to provide Franchisor with the opportunity to preserve the Premises as a Restaurant in case of any expiration or termination of the franchise granted in the franchise agreement and to assure Landlord that any defaults under the Lease will be cured before Franchisor takes possession of the Premises; and

WHEREAS, Lessee and Franchisor wish to preserve their rights under the Franchise Agreement as to the Premises, including Franchisor’s right to enter and/or take possession of the Premises to enforce Franchisor’s rights on Lessee’s default under the Lease or the Franchise Agreement.

In consideration of the recitals above and of the terms below, the parties agree:

1. **Default of Lessee under Lease.** Landlord will give Franchisor notice of any default or termination of the Lease concurrently with giving notice to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Landlord will give Franchisor immediate written notice of the failure to cure and Landlord will offer to Franchisor and Franchisor will have the sole and absolute right (but not the obligation), either to cure the default and preserve Lessee’s interest in the Premises and in the Lease, to accept an assignment of the Lease or a new lease containing the same terms of the Lease, as Franchisor elects, or to take no action. If Franchisor elects to continue the use of the Premises under an assignment of the Lease or a new lease, it will so notify Landlord in writing within thirty (30) days after it has received written notice from Landlord specifying the default(s) Lessee has failed to cure within the period specified in the Lease. On receipt of that notice from Franchisor, Landlord will promptly execute and deliver to Franchisor an assignment of the Lease or a new lease, whichever Franchisor requests, and will promptly deliver to Franchisor possession of the Premises, free and clear of any rights of Lessee

or any third party. Franchisor, before taking possession of the Premises, will cure the default(s) specified by Landlord in its notice to Franchisor and will execute and deliver to Landlord its acceptance of the assignment of Lease or of a new lease, as the case may be.

2. **Relationship to Franchise Agreement.** Landlord acknowledges that the Lease and/or any new or amended lease executed by the parties will be subject to and not inconsistent with the Franchise Agreement. For example, Landlord must permit Franchisor's entry onto the Premises for the purpose of enforcing Franchisor's rights under the Franchise Agreement or for routine visits.

3. **Franchisor's Right to Take Possession of Lessee's Space.** If Lessee defaults on its obligations under the Lease or under the Franchise Agreement, beyond applicable notice and cure periods, Franchisor shall have the right to take possession of the Premises and thereafter Lessee shall have no further right pursuant to the Lease.

4. **Assignment of Premises to Franchisor.**

(a) Lessee, in consideration of the rights granted to Lessee under the Franchise Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby absolutely and unconditionally GRANT, CONVEY, ASSIGN, TRANSFER, and SET OVER unto Franchisor all rights, interests and estates of Lessee in, to and under the Lease, together with all renewals and extensions of the Lease and other agreements and all other leases or agreements that may hereafter be entered into which cover all or any portion of the Premises. Franchisor, by acceptance hereof, agrees not to take any action to assert its rights to possession of the Premises demised under the Lease unless and until there shall exist or occur a default of the Franchise Agreement or the Lease by Lessee, if Franchisor purchases the Restaurant from Lessee, or if the franchise agreement between Franchisor and Lessee expires or is terminated for any reason during the term or any extension of the Lease. If Franchisor elects to accept the assignment of the Lease from Lessee, it will give Lessee and Landlord written notice of its election to acquire the leasehold interest. Landlord consents to the assignment of the Lease from Lessee to Franchisor, subject to Lessee's and/or Franchisor's curing any default(s) of Lessee under the Lease before Franchisor takes possession of the Premises.

(b) Lessee grants Franchisor a security interest in and to the Lease, all of the furniture, removable trade, fixtures, inventory, licenses and supplies located in the Premises and the franchise relating to the Restaurant, and all of Lessee's rights, title and interest in and to the Lease as collateral for: (a) the payment of any obligation, liability or other amount owed by Lessee or its affiliates arising under the Lease;

(c) for any default or breach of any of the terms and provisions of the Lease; and (c) for any default or breach of any of the terms and provisions of the Franchise Agreement. The term "Collateral" shall specifically exclude any items which are fixtures and thus property of the Landlord under applicable law and any personal property or other items owned by Landlord. In the event of a breach or default by Lessee under the terms of the Lease, or in the event we make any payment to the Landlord as a result of your breach of the Lease, then such payment by us, or such breach or default by Lessee, will at our option be deemed to be an immediate default under the Franchise Agreement, and we will be entitled, to possess the Premises and to all of your

rights, title and interest in and to the Lease and to all other remedies described herein, in the Franchise Agreement or at law or in equity, without prejudice to any of our other rights or remedies under any other agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by Lessee to us.

(d) Franchisor's rights, as provided by this Assignment, to assume the Lease is totally optional on our part, to be exercised in our sole discretion. Franchisee will execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

(e) If Franchisor exercises its rights under this Agreement, Landlord shall take all action necessary to retake the Premises (such action including termination, eviction and legal action) and to grant Franchisor the rights contemplated by this Agreement. If Franchisor takes possession of the Premises and assumes the Lease as Lessee thereunder, Landlord shall be required to recognize the Franchisor as tenant under the Lease. Landlord agrees that Franchisor may further assign the lease to any person or entity that qualifies as a franchisee of Franchisor, who as part of such assignment, shall agree to assume Lessee's obligations under the Lease. The parties agree that the Premises must only be used for the operation of a Restaurant, and that Lessee may not sublease or assign all or any part of its occupancy rights without Franchisor's prior written approval.

5. **Obligations of Franchisor.** The parties acknowledge that the Lease does not create any rights against or obligations of Franchisor unless specifically stated in this Addendum.

6. **Power of Attorney.** Lessee irrevocably appoint Franchisor as your true and lawful attorney-in- fact and authorize Franchisor, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Premises, to operate, rent, lease, and manage the Premises to or by any person, firm or corporation upon such terms and conditions as we may determine in our discretion, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Premises pursuant to the provisions set forth in the Lease and this Assignment. The power of attorney conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

7. **Election of Remedies.** The provisions set forth in this Assignment will be deemed a special remedy given to Franchisor and will not be deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between Lessee and Franchisor, but will be deemed an additional remedy and will be cumulative with the remedies therein and elsewhere granted to Franchisor, all of which remedies will be enforceable concurrently or successively. No exercise by Franchisor or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by Franchisor will be construed as a waiver of any of our rights and remedies and no waiver by Franchisor of any such rights and remedies will be construed as a waiver by Franchisor of any future rights and remedies.

8. **Display of Marks.** Landlord agrees that Lessee and/or Franchisor may display Franchisor's and/or its licensor's marks according to Franchisor's specifications as modified from time to time by Franchisor in its sole and absolute right, subject to the provisions of applicable law and community standards.

9. **Right to Information.** Landlord agrees to provide to Franchisor, on request, information regarding the Restaurant or the Lease, including any information furnished to Landlord by Lessee.

10. **Delivery of Lease; Franchisor's Prior Written Approval.** Landlord and Lessee agree to deliver the Lease in executed form to Franchisor within five (5) days after execution.

11. **Waiver.** Failure of Franchisor to enforce or exercise any of its rights under this Addendum will not constitute a waiver of those rights or a waiver of any subsequent enforcement or exercise of its rights under this Addendum.

12. **Execution of Documents.** The parties agree to execute all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms of this Addendum.

13. **Amendment of Lease.** Landlord and Lessee agree not to amend, modify or waive the terms of the Lease in any respect that would adversely affect Franchisor's rights without the prior written consent of Franchisor.

14. **Vacation of Premises.** Lessee agrees to peaceably and promptly vacate the Premises and to remove its personal property on the repurchase, termination, or expiration of the Franchise Agreement or on Lessee's failure to timely cure defaults under the Lease or Franchise Agreement. Any property not so removed within ten (10) days after Lessee vacates the Premises will be deemed abandoned.

15. **Lessee's Liability.** Lessee will remain liable for all of its obligations under the Lease regardless of the assignment of the Lease to Franchisor or the execution of a new lease between Franchisor and Landlord, and Franchisor will be entitled to recover from Lessee all amounts it has paid to Landlord to cure any default(s) by Lessee under the Lease.

16. **Notices.** All notices will be mailed by certified mail to the addresses described in this Addendum or to such other addresses as the parties may, by written notice, designate. Such notices will be deemed to be given three (3) days after being mailed.

17. **Binding Effect.** This Addendum will be binding on the parties, their heirs, executors, successors, assigns and legal representatives.

18. **Severability.** If any provision of this Addendum or any part is declared invalid by any court of competent jurisdiction, the provision will not affect the validity of this Addendum and the remainder of this Addendum will remain in effect according to the terms of the remaining provisions or parts of provisions of this Addendum.

19. **Remedies.** The rights and remedies created under this Addendum will be deemed cumulative and none of the rights or remedies will be exclusive at law or in equity of the rights

and remedies which Franchisor may have under this Addendum or any other agreement to which Franchisor and Lessee are parties.

20. **Attorneys' Fees.** If any action is instituted by any party to enforce any provision of this Addendum, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs incurred in the action.

21. **Construction.** This Addendum will be governed by and interpreted under the laws of North Carolina without application of the choice of laws provisions of North Carolina or any other jurisdiction.

Each of the undersigned agrees to the terms of this Addendum, effective the day and year first above written.

**LESSOR:**

**FRANCHISEE (ASSIGNOR):**

[NAME]

[NAME]

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

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

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

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

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

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

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

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

**FRANCHISOR (ASSIGNEE):**

[NAME]

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

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

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

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

## Exhibit H

### Table of Contents of Confidential Operations Manual

#### TABLE OF CONTENTS

<b>Section from Confidential Operations Manual</b>	<b>Number of Pages Devoted to Section</b>
About Bobby's Burgers	10
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Inventory	8
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Facilities Repair and Maintenance	8
Finance	24
IT	10
Franchise Business	8
<b>Total</b>	<b>651</b>

## **Exhibit I**

### **State Specific Disclosures and Addendums to Franchise Agreement**



## STATE SPECIFIC DISCLOSURES

### ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES

#### REQUIRED BY THE STATE OF CALIFORNIA, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, VIRGINIA, AND WISCONSIN

**No Waiver of Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Illinois, Indiana, Maryland, Michigan, Virginia, or Wisconsin:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**  
**REQUIRED BY THE STATE OF CALIFORNIA**

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

OUR WEBSITE, [WWW.BOBBOYSBURGERS.COM](http://WWW.BOBBOYSBURGERS.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

2. Item 3, Litigation. The following statement is added to Item 3:

Neither franchisor nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such parties from membership in such association or exchange.

3. The row entitled “Default Interest” in Item 6 of the Disclosure Document is amended to state that the maximum interest rate in California is currently 10% annually.

4. Item 17, Additional Disclosures. The following statements are added to Item 17:

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

The Franchise Agreement and Development Agreement Rider to the Franchise Agreement may provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

The Franchise Agreement may contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

You must sign a general release if you transfer or renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of

your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement and Development Agreement Rider to the Franchise Agreement require that any action you bring be commenced in the jurisdiction where our principal business address is located, which currently is Charlotte, North Carolina. These provisions may not be enforceable under California law.

5. Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**  
**REQUIRED BY THE STATE OF ILLINOIS**

1. Illinois law governs the agreements between the parties to this franchise.
2. The following is added to the Special Risks to Consider About *This Franchise* page of the Disclosure Document as additional Risk Factors:

**Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

**Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement or development agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.
4. Section 41 of the Illinois Franchise Disclosure Act provides that 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 that Illinois is void.
5. The conditions under which your Franchise Agreement and/or Development Agreement Rider to the Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
6. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.
7. For info about obtaining a liquor license in Illinois, see: <https://www2.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>
8. For info about obtaining TIPS certification. in Illinois, see: <https://www.tipscertified.com/tips-state-pages/illinois/>

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**  
**REQUIRED BY THE STATE OF INDIANA**

1. The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the Development Agreement Rider to the Franchise Agreement, the other agreements, or North Carolina law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.701(7) against unilateral termination of the Franchise Agreement and/or Development Agreement Rider to the Franchise Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement and/or Development Agreement Rider to the Franchise Agreement, shall supersede the provisions of Article 16 of the Franchise Agreement and/or Article 8 of the Development Agreement Rider to the Franchise Agreement in the state of Indiana, but only to the extent that they may be inconsistent with such prohibition.
3. Notwithstanding anything to the contrary in the Franchise Agreement and/or Development Agreement Rider to the Franchise Agreement, you recognize that in the event of any use of the System not in accord with such agreement, we shall be entitled to injunctive and other relief.
4. No release language set forth in the Disclosure Document, Franchise Agreement, or Development Agreement Rider to the Franchise Agreement, including but not limited to Item 17, or Articles 14(e)(iv) and 15(b)(v) of the Franchise Agreement respectively, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Article 30(b) of the Franchise Agreement is amended to provide that the Franchise Agreement will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Disclosure Document, the Franchise Agreement, or Development Agreement Rider to the Franchise Agreement which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.
7. The second sentence of Article 30(k) (Election to Resolve Claims) of the Franchise Agreement is deleted from all agreements entered into in Indiana.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**  
**REQUIRED BY THE STATE OF MARYLAND**

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against franchisor, including upon signing the franchise and renewal or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The franchise agreement and development agreement rider to franchise agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

## **FOR MICHIGAN RESIDENTS AND FRANCHISEES**

### **WHOSE FRANCHISES WILL BE OPERATED IN MICHIGAN ONLY**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions is in these franchise documents, it is void and cannot be enforced against you:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. 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 Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from setting any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
4. 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 and equipment, fixtures and furnishings not reasonably required in the conduct of the Restaurant are not subject to compensation. This paragraph applies only if: (a) the term of the franchise is less than five (5) years and (b) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of Franchisor's intent not to renew the franchise.
5. 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 paragraph does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This paragraph does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- a. The failure of the proposed Transferee to meet the Franchisor's then current reasonable qualifications or standards.
- b. The fact that the proposed Transferee is a competitor of the Franchisor or subfranchisor.
- c. The unwillingness of the proposed Transferee to agree in writing to comply with all lawful obligations.
- d. 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.

8. A provision that requires the franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This paragraph 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 paragraph 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 paragraph 3 above.

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation or endorsement by the attorney general.

**Any questions regarding this notice should be directed to the Michigan Consumer Protection Division of the Department of the Attorney General, whose address is 670 Law Building, Lansing, Michigan 48913 and whose telephone number is (517) 373-7117.**



**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE**  
**REQUIRED BY THE STATE OF VIRGINIA**

1. The following is added to Item 17 h:

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

**STATE SPECIFIC ADDENDUM TO THE BOBBY’S BURGERS BY BOBBY FLAY  
FRANCHISE AGREEMENT  
AND  
DEVELOPMENT AGREEMENT RIDER TO THE FRANCHISE AGREEMENT**

**ADDENDUM TO FRANCHISE AGREEMENT**

**REQUIRED FOR CALIFORNIA, ILLINOIS, INDIANA, MARYLAND,  
MICHIGAN, VIRGINIA, AND WISCONSIN FRANCHISEES**

This Addendum to Bobby’s Burgers by Bobby Flay Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between INTELLIGRATION CAPITAL BB, LLC and \_\_\_\_\_ (“you”) is entered into simultaneously with the execution of the Franchise Agreement.

1. **No Waiver of Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Illinois, Indiana, Maryland, Michigan, North Dakota, Virginia, or Wisconsin:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

INTELLIGRATION CAPITAL BB, LLC

**FRANCHISEE:**

[NAME]

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

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

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

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

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

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

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

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

**ADDENDUM TO FRANCHISE AGREEMENT**  
**REQUIRED FOR ILLINOIS FRANCHISEES**

**This Addendum to Bobby's Burgers by Bobby Flay Franchise Agreement** dated \_\_\_\_\_ (“**Franchise Agreement**”) between INTELLIGRATION CAPITAL BB, LLC and \_\_\_\_\_ (“**you**”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of the franchise to you was made in the State of Illinois; (B) you are a resident of the State of Illinois; and/or (C) the Restaurant will be located or operated in the State of Illinois.

2. The following sentence is added at the end of Article 30(b) of the Franchise Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Article 30(c) of the Franchise Agreement:

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

4. The following sentence is added at the end of Article 30(g) of the Franchise Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added as a new Article 42 of the Franchise Agreement:

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

6. Your rights upon termination and non-renewal of a Franchise Agreement are set forth Sections 19 and 20 of the Illinois Franchise Disclosure Act.

7. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

INTELLIGRATION CAPITAL BB, LLC

**FRANCHISEE:**

[NAME]

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

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

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

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

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

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

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

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

**ADDENDUM TO FRANCHISE AGREEMENT**  
**REQUIRED FOR MARYLAND FRANCHISEES**

**This Addendum to Bobby’s Burgers by Bobby Flay Franchise Agreement** dated \_\_\_\_\_ (“**Franchise Agreement**”) between INTELLIGRATION CAPITAL BB, LLC and \_\_\_\_\_ (“**you**”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Maryland; (B) you are a resident of the State of Maryland; and/or (C) the Restaurant will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Articles 14(e)(iv) and 15(b)(v) of the Franchise Agreement:

All representations requiring you 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.

3. The following sentence is added to the end of Articles 17(a)(ii) and 17(a)(iii) of the Franchise Agreement:

Notwithstanding the foregoing, termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce this provision to the maximum extent the law allows.

4. The following sentence is added to the end of Article 30(b) of the Franchise Agreement:

Notwithstanding the foregoing, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Article 30(c) of the Franchise Agreement:

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following sentence is added to the end of Article 30(g) of the Franchise Agreement:

This limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law, which claim must be brought within 3 years after the grant of the franchise.

7. The following sentence is added to the end of Article 30(d) of the Franchise Agreement:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of

Bobby’s Burgers by Bobby Flay

2023 Franchise Disclosure Document – Exhibit I-15 (State Specific Disclosures and Addendums to Franchise Agreement)

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liability as a condition of purchasing a franchise. Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

INTELLIGRATION CAPITAL BB, LLC

**FRANCHISEE:**

[NAME]

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

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

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

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

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

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

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

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

**Exhibit J**  
**Financial Statements**  
(see attached)



**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2022**

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**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

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## Independent Auditor's Report

To the Member  
Intelligence Capital BB, LLC

### *Opinion*

We have audited the financial statements of Intelligence Capital BB, LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, and cash flows for the period January 10, 2022 (inception date) through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Intelligence Capital BB, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period January 10, 2022 (inception date) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Intelligence Capital BB, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Intelligence Capital BB, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Intelligration Capital BB, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Intelligration Capital BB, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*CohnReznick LLP*

Melville, New York  
March 27, 2023

**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

**Balance Sheet  
December 31, 2022**

Assets

Current assets	
Cash and cash equivalents	\$ 959,464
License fee receivable	30,000
Due from affiliate	10,234
Prepaid expenses and other current assets	<u>10,550</u>
Total current assets	1,010,248
Property and equipment, net	57,108
Right-of-use asset - operating lease	350,451
Capitalized license fee	15,000
Security deposits	<u>33,678</u>
Total assets	<u><u>\$ 1,466,485</u></u>

Liabilities and Members' Equity

Current liabilities	
Accounts payable and accrued expenses	\$ 125,573
Due to affiliate	15,000
Current portion of operating lease liability	<u>81,451</u>
Total current liabilities	222,024
Deferred license fee	30,000
Operating lease liability, net of current portion	<u>293,016</u>
Total liabilities	<u>545,040</u>
Commitments and contingencies	
Members' equity	
Members' capital	2,025,000
Accumulated deficit	<u>(1,103,555)</u>
Total members' equity	<u>921,445</u>
Total liabilities and members' equity	<u><u>\$ 1,466,485</u></u>

See Notes to Financial Statements.

**Intelligence Capital BB, LLC  
(A Limited Liability Company)**

**Statement of Operations  
Period from January 10, 2022 (inception date) through December 31, 2022**

Operating expenses	
General and administrative expenses	<u>\$ 1,104,210</u>
Total operating expenses	1,104,210
Other income	
Interest income	<u>655</u>
Loss from operations	<u>(1,103,555)</u>
Net loss	<u><u>\$ (1,103,555)</u></u>

See Notes to Financial Statements.

**Intelligration Capital BB, LLC**  
**(A Limited Liability Company)**

**Statement of Cash Flows**  
**Period from January 10, 2022 (inception date) through December 31, 2022**

Cash flows from operating activities	
Net loss	\$ (1,103,555)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation and amortization	8,318
Changes in operating assets and liabilities	
Due to/from affiliate	(10,234)
Other current assets	(10,550)
Security deposits	(33,678)
Net changes in operating right-of-use asset and lease liability	24,016
Accounts payable and accrued expenses	125,573
	(1,000,110)
 Cash flows from investing activities	
Purchases of property and equipment	(65,426)
	(65,426)
 Cash flows from financing activities	
Capital contributions	2,025,000
	2,025,000
 Net increase in cash	959,464
 Cash, beginning	-
 Cash, end	\$ 959,464
 Noncash investing and financing activities	
Operating right-of-use asset	\$ 390,903
Operating lease liability	\$ 394,416
Receivable for deferred license fee	\$ 30,000

See Notes to Financial Statements.

**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

**Notes to Financial Statements  
December 31, 2022**

**Note 1 - Organization and description of business**

**Business**

Intelligration Capital BB, LLC (the "Company") was formed on January 10, 2022 in the State of Delaware and is governed by its Operating Agreement. The Company was funded with \$2,025,000 capital contributions. The Company has a master license agreement with BB License, LLC in order to sell Bobby's Burgers franchises in the United States.

The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contributions.

**Note 2 - Summary of significant accounting policies**

**Basis of preparation**

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Adoption of accounting standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, *Leases* (Topic 842), which amends the existing accounting standards for lease accounting, including requiring lessees to recognize assets and liabilities for leases with lease terms of more than 12 months. The new guidance also requires additional disclosures about leases. The Company adopted the new standard on January 10, 2022 (inception date), which resulted in the recognition of an operating right-of-use asset totaling \$390,903 and total lease liability of \$394,416.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates and the differences could be material.

**Cash**

The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, per institution. As of December 31, 2022, the Company had \$780,957 of uninsured cash.

**Property and equipment**

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful lives of the assets. Furniture is depreciated over three to seven years. Equipment is depreciated over three to five years. Technology is depreciated over three years. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and the resulting gains or losses are included in operations. Expenditures for major additions and improvements are capitalized; minor replacements, maintenance and repairs are charged to expense as incurred.



**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

**Notes to Financial Statements  
December 31, 2022**

**Revenue recognition**

**General**

The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a restaurant guest or other customer.

**License fee revenue**

License revenues include initial license fees, training fees, location opening fees and ongoing sales-based royalty fees from licensed locations. Generally, the licenses granted to develop, open and operate each location in a specified territory are the predominant goods or services transferred to the licensee in the Company's contracts, and represent distinct performance obligations. The Company determines the transaction price for each contract, which is comprised of the initial license fee and an estimate of the total location opening fees expected to be entitled and is allocated to distinct performance obligations. The Company recognizes training as a single performance obligation and recognizes when completed, which is typically upon the store opening. The remaining license fee is satisfied over time, starting when a location opens, through the end of the term of the license. Because the Company is transferring licenses to access intellectual property during a contractual term, the remaining revenue is recognized on a straight-line basis over the license term. Generally, payment for the initial license fee is received upon execution of the licensing agreement and payment for the restaurant opening fees are received either in advance of or upon opening the related restaurant. These payments are initially deferred and recognized as revenue as the performance obligations are satisfied, which occurs over a long-term period. As of December 31, 2022, license fees receivable and deferred franchise revenue was \$30,000.

**License royalty fees**

Revenue from sales-based royalties are recognized as the related sales occur.

**Income taxes**

Under the provisions of the Internal Revenue Code and applicable state laws, the Company is not directly subject to income taxes since the Company's profits and losses are allocated to, and are reported on, the individual member's tax returns. Therefore, no provision or liability for income taxes has been included in the accompanying financial statements. The Company applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company has not filed a tax return since inception and does not believe its financial statements include any material uncertain tax positions. There have been no penalties or interest incurred by the Company during the period ended December 31, 2022.

**Advertising costs**

Advertising costs are expensed as incurred and totaled \$349,974 for the period ended December 31, 2022.

**Subsequent events**

The Company has evaluated subsequent events through March 27, 2023, which is the date the financial statements were available to be issued.

**Intelligration Capital BB, LLC  
(A Limited Liability Company)**

**Notes to Financial Statements  
December 31, 2022**

**Note 3 - Property and equipment**

Property and equipment consist of the following:

Leasehold improvements	\$ 26,428
Furniture	23,719
Equipment	2,132
Technology	<u>13,147</u>
	65,426
Less accumulated depreciation and amortization	<u>(8,318)</u>
Property and equipment, net	<u><u>\$ 57,108</u></u>

Depreciation and amortization expense for the period ended December 31, 2022 was \$8,318.

**Note 4 - Concentration of credit risk**

The Company is exposed to credit losses in the event of nonperformance by its licensees. The Company anticipates, however, that its licensees will be able to satisfy their obligations fully under the contracts and has determined that an allowance for doubtful accounts is not necessary. The Company does not obtain collateral or other security to support financial instruments subject to credit risk but monitors the credit standings of its customers and reserves the right to terminate license agreements for nonpayment of amounts owed.

**Note 5 - Contingent liabilities and commitments**

**Litigation**

The Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. As of December 31, 2022, the Company does not have any outstanding legal proceedings or claims.

**Master license agreement**

On August 2, 2022, the Company entered into an Amended and Restated Master License Agreement with BB License, LLC (Master Licensor) to obtain a license from the Licensor to develop, operate, and grant Franchise Opportunities in the Licensed Territory, as defined. The agreement has an initial term of 10 years and the Company will have the right to renew for two additional 10-year terms. The Company agrees to pay the Licensor 50% of initial franchise fees or development fees incurred and/or collected from Franchisees in exchange for the right to award or operate one or more restaurants (Development Fee Payments); 50% of the royalties collected by the Company from Franchisees (Royalty Fee Payments); 50% of Net Margin recognized by the Company from other fees charged to Franchisees including technology fees, delivery fees, support fees, and all other fees approved by the Licensor that may be charged to Franchisees from time to time. The Company and Licensor shall each be entitled to 50% of all revenue received by the Licensor and/or the Company from third party vendors and/or suppliers paid in the form of a rebate made as a result of the Company's or Franchisees' purchase of products or services. The Company recorded a capitalized license fee and due to affiliate for \$15,000 for their share of the initial license fee as of December 31, 2022. The Company recorded \$2,186 of their share of expenses in due from affiliate as of December 31, 2022.

**Intelligration Capital BB, LLC**  
**(A Limited Liability Company)**

**Notes to Financial Statements**  
**December 31, 2022**

**License agreement**

On September 1, 2022, the Company entered into a license agreement to grant the licensee the non-exclusive right and license to use the System, as defined, in connection with the operating of a single restaurant at the approved location. The agreement shall expire on December 31, 2032 or the initial term of the lease terminates for the approved location, whichever occurs first. Licensee will pay the Company an initial license fee of \$30,000, which is fully earned and nonrefundable under any circumstance. Licensee shall pay the Company a weekly royalty fee equal to 5.5% of the first \$1,500,000 in aggregate gross sales of the restaurant, and 7% of any aggregate gross sales of the restaurant in excess of \$1,500,000. No royalty fees have been earned in the year ended December 31, 2022.

**Note 6 - Operating lease**

The Company's operating lease is for corporate office space. Total operating lease expense during the period ended December 31, 2022 was \$55,318, which was recorded in general and administrative expenses on the statement of operations. Cash paid for operating lease activities for the period ended December 31, 2022, which have been included in cash flows from operating activities, was \$29,911.

At December 31, 2022, the Company's operating leases had a weighted average remaining lease term of 5.2 years and a weighted average discount rate of 3.01% which is equivalent to its incremental borrowing rate.

Future minimum payments under non-cancellable operating leases are as follows:

2023	\$	81,451
2024		83,895
2025		86,411
2026		89,004
2027		60,741
Total future lease payments		<u>401,502</u>
Less imputed interest		<u>(27,035)</u>
		374,467
Less current portion		<u>(81,451)</u>
Long-term portion	\$	<u><u>293,016</u></u>



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**BB License, LLC  
(A Limited Liability Company)**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2022**

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**BB License, LLC**  
**(A Limited Liability Company)**

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## Independent Auditor's Report

To the Member  
BB License, LLC

### *Opinion*

We have audited the financial statements of BB License, LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, and cash flows for the period December 30, 2021 (inception date) through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BB License, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period December 30, 2021 (inception date) through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BB License, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BB License, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BB License, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BB License LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*CohnReznick LLP*

Melville, New York  
March 27, 2023



**BB License, LLC**  
**(A Limited Liability Company)**

**Balance Sheet**  
**December 31, 2022**

Assets

Current assets	
Cash and cash equivalents	\$ 8,069
License fee receivable	<u>15,000</u>
Total current assets	23,069
Website costs	<u>8,048</u>
Total assets	<u><u>\$ 31,117</u></u>

Liabilities and Members' Equity

Current Liabilities	
Accounts Payable	\$ 10
Due to affiliate	10,234
Deferred license fee	<u>15,000</u>
Total Liabilities	<u>25,244</u>
Commitments and contingencies	
Members' equity	
Member's capital	20,000
Accumulated deficit	<u>(14,127)</u>
Total members' equity	<u>5,873</u>
Total liabilities and members' equity	<u><u>\$ 31,117</u></u>

See Notes to Financial Statements.

**BB License, LLC**  
**(A Limited Liability Company)**

**Statement of Operations**  
**Period from December 30, 2021 (inception date) through December 31, 2022**

Operating expenses	
General and administrative expenses	<u>\$ 14,127</u>
Total operating expenses	<u>14,127</u>
Loss from operations	<u>(14,127)</u>
Net loss	<u><u>\$ (14,127)</u></u>

See Notes to Financial Statements.

**BB License, LLC**  
**(A Limited Liability Company)**

**Statement of Cash Flows**  
**Period from December 30, 2021 (inception date) through December 31, 2022**

Cash flows from operating activities	
Net loss	\$ (14,127)
Changes in operating assets and liabilities:	
Accounts payable	10
Due to affiliate	<u>2,186</u>
Net cash used in operating activities	<u>(11,931)</u>
Cash flows from financing activities	
Capital contribution	<u>20,000</u>
Net cash provided by financing activities	<u>20,000</u>
Net increase in cash	8,069
Cash, beginning	<u>-</u>
Cash, end	<u><u>\$ 8,069</u></u>
Noncash investing and financing activities	
Payable to affiliate for website costs	<u><u>\$ 8,048</u></u>
Receivable for deferred license fee	<u><u>\$ 15,000</u></u>

See Notes to Financial Statements.

**BB License, LLC  
(A Limited Liability Company)**

**Notes to Financial Statements  
December 31, 2022**

**Note 1 - Organization and description of business**

**Business**

BB License, LLC (the "Company") was formed on December 30, 2021 in the State of Delaware and is governed by its Operating Agreement. The Company was funded with \$20,000 capital contribution on May 20, 2022 by its parent, BB Worldwide Development, LLC, for purposes of licensing rights to sell Bobby's Burgers franchises. The Company entered into a license agreement with its affiliate, BBP, LLC, that authorizes it to grant these rights.

The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contributions.

**Note 2 - Summary of significant accounting policies**

**Basis of preparation**

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Cash**

The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, per institution. As of December 31, 2022, the Company did not have any uninsured cash.

**Income taxes**

The Company elected income tax status as a LLC. Under this election, the Company is not subject to federal income taxes and all taxes and all taxable income is passed through to the member.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates and the differences could be material.

**Subsequent events**

The Company has evaluated subsequent events through March 27, 2023, which is the date the financial statements were available to be issued.

**Note 3 - Contingent liabilities and commitments**

The Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. As of December 31, 2022, the Company does not have any outstanding legal proceedings or claims.

As of December 31, 2022, the Company has no lease obligations.

**BB License, LLC**  
**(A Limited Liability Company)**

**Notes to Financial Statements**  
**December 31, 2022**

On August, 2, 2022, the Company entered into an Amended and Restated Master License Agreement with Intelligration Capital BB, LLC ("Licensee") to grant a license to the Licensee to develop, operate, and grant Franchise Opportunities in the Licensed Territory, as defined. The agreement has an initial term of 10 years and the Licensee will have the right to renew for two additional 10-year terms. The Licensee agrees to pay the Company 50% of initial franchise fees or development fees incurred and/or collected from Franchisees in exchange for the right to award or operate one or more restaurants (Development Fee Payments); 50% of the royalties collected by Licensee from Franchisees (Royalty Fee Payments); 50% of Net Margin recognized by Licensee from other fees charged to Franchisees including technology fees, delivery fees, support fees, and all other fees approved by the Company that may be charged to Franchisees from time to time. The Company and Licensee shall each be entitled to 50% of all revenue received by the Company and/or Licensee from third party vendors and/or suppliers paid in the form of a rebate made as a result of the Licensee's or Franchisees' purchase of products or services.

On September 1, 2022, the Licensee entered into a license agreement for an initial license fee of \$30,000. The Company recorded a deferred license fee and license fee receivable for \$15,000 for their share of the initial license fee as of December 31, 2022. The Company recorded \$10,234 of their share of expenses in due to affiliate as of December 31, 2022.



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**Exhibit K**  
**Franchisee Questionnaire**

## FRANCHISEE QUESTIONNAIRE

As you know, Intelligration Capital BB, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Restaurant and/or a Development Agreement Rider for the operation of additional Restaurants over an agreed upon period of time. 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 because of the purchase and operation of your Restaurant. You must sign and date this Questionnaire the same day that you sign the Franchise Agreement. You cannot sign or date this Questionnaire the same day as the Receipt for the Disclosure Document. 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 on the back of this sheet.

	Question	Yes	No
1.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
2.	Have you received and personally reviewed the Development Agreement Rider and each exhibit or schedule attached to it?		
3.	Have you received and personally reviewed the Disclosure Document we provided?		
4.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
5.	Do you understand all of the information contained in the Disclosure Document, all of the terms of the Franchise Agreement, and all of the terms of the Development Agreement Rider?		
6.	Have you reviewed the Disclosure Document, Franchise Agreement and Development Agreement Rider with a lawyer, accountant or other professional advisor?		
7.	Have you discussed the benefits and risks of developing and operating Restaurants with existing Bobby’s Burgers by Bobby Flay franchisees?		
8.	Do you understand the risks of developing and operating Restaurants franchises?		



9.	Do you understand that the success or failure of your Restaurant 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 weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10.	Do you understand that, subject to applicable state law, any applicable mediation, arbitration or litigation must take place in North Carolina?		
11.	Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the costs involved in operating Restaurants, or otherwise, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?		
	<b>Question</b>	<b>Yes</b>	<b>No</b>
12.	Do you agree that no employee or other person speaking on our behalf has 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 Restaurant will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?		
13.	Do you understand that the Franchise Agreement and the exhibits to the Franchise Agreement, the Development Agreement Rider and the exhibits to the Development Agreement Rider, and the Disclosure Document contain the entire agreement between us and you concerning your purchase of Restaurants franchises and that any oral or written statements, if any, not contained in the Franchise Agreement or Disclosure Document will not be binding?		

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

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PLEASE ADD ADDITIONAL SHEETS OF PAPER IF NECESSARY TO EXPLAIN NEGATIVE RESPONSES.

THE UNDERSIGNED UNDERSTANDS THAT HIS ANSWERS ARE IMPORTANT TO INTELLIGRATION CAPITAL BB, LLC, AND THAT INTELLIGRATION CAPITAL BB, LLC WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THEY HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO EACH OF THE ABOVE QUESTIONS.

**The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:**

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.

EXECUTED as of \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**FRANCHISEE:**

[NAME]

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

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

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

**Exhibit L**

**Lists of Current and Former Franchisees**

[None]

**Exhibit M**  
**State Effective Dates**

### 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:

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	Not Effective
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	Not Effective
New York	Not Effective
North Dakota	Not Effective
Rhode Island	Not Effective
South Dakota	Not Effective
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**Exhibit N**  
**Receipts**

## 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 Franchisor offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require Franchisor to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale. Michigan requires that Franchisor provide you with this Disclosure Document at least ten business days before you sign a binding franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency.

The franchise seller offering the franchise is:

\_\_\_ Michael McGill, located at 2115 Rexford Road, Suite 530, Charlotte, NC 28211, 803-753-4764.

\_\_\_ Daniel Beem, located at 2115 Rexford Road, Suite 530, Charlotte, NC 28211, 803-753-4764.

\_\_\_ Patric Knapp, located at 2115 Rexford Road, Suite 530, Charlotte, NC 28211, 803-753-4764.

\_\_\_ Helen Lao, located at 23 Corporate Plaza Suite 150, Newport Beach, CA 92660, 949-294-4169.

\_\_\_ Bailey Hewitt, located at 707 Lake Cook Road, Suite 340, Deerfield, IL 60015, 847-897-7470.

\_\_\_ [Name]; located at [Address], [Phone Number]

The issuance date for this Franchise Disclosure Document is March 27, 2023.

I have received a Disclosure Document dated March 27, 2023, that included the following Exhibits:

A	List of State Administrators	H	Table of Contents of Confidential Operations Manual
B	Franchisor's Agent for Service of Process	I	State Specific Disclosures and Addendums to Franchise Agreement
C	Franchise Agreement	J	Financial Statements
D	Development Agreement Rider	K	Franchisee Questionnaire
E	EFT Preauthorization	L	Lists of Current and Former Franchisees
F	Form of General Release	M	State Effective Dates
G	Franchisor Lease Addendum	N	Receipts

Prospective Franchisee:

Prospective Franchisee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Printed Name:\_\_\_\_\_

Printed Name:\_\_\_\_\_

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

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

**[Keep this copy for your records]**



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F	Form of General Release	M	State Effective Dates
G	Franchisor Lease Addendum	N	Receipts

Prospective Franchisee:

Prospective Franchisee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Printed Name:\_\_\_\_\_

Printed Name:\_\_\_\_\_

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

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

**[Sign and return this copy to Intelligration Capital BB, LLC, Attn: Michael McGill, President, 2115  
Rexford Road, Suite 530, Charlotte, NC 28211]**