

FRANCHISE DISCLOSURE DOCUMENT



The Budlong Franchise Nevada LLC
A Nevada Limited Liability Company
755 Schneider Dr
South Elgin, IL 60177
(847) 608-8500
franchising@craveworthybrands.com

The Budlong Franchise Nevada LLC offers individual unit franchises for the development and operation of a The Budlong Hot Chicken restaurant (“Restaurant”), featuring specialty spicy fried chicken and sandwiches, sides, desserts, beverages, and other related food and beverage items.

The total investment necessary to begin operation of a Restaurant is from \$178,000 to \$989,500, which includes \$30,000 to \$40,000 that must be paid to us. If you sign an Area Development Agreement to develop multiple Restaurants in a specified area, you must also pay us a development fee that is equal to \$10,000 multiplied by the number of Restaurants that you are required to develop in addition to your first Restaurant. We require that you develop at least three stores under an Area Development Agreement, which results in a minimum development fee equal to \$20,000.

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 Rich Guckel 755 Schneider Dr, South Elgin, Illinois 60177, (847) 608-8500, franchising@craveworthybrands.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 7, 2023, as amended July 21, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only The Budlong Hot Chicken business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a The Budlong Hot Chicken franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nevada than in your own state.
2. **Short Operating History.** The 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 in a system with a longer operating history.
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.
5. **General Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of

first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
2. BUSINESS EXPERIENCE	3
3. LITIGATION.....	5
4. BANKRUPTCY	5
5. INITIAL FEES	5
6. OTHER FEES.....	6
7. ESTIMATED INITIAL INVESTMENT	9
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	13
9. FRANCHISEE'S OBLIGATIONS	16
10. FINANCING	17
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	17
12. TERRITORY	23
13. TRADEMARKS.....	26
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	27
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	27
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	28
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	28
18. PUBLIC FIGURES.....	32
19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	32
20. OUTLETS AND FRANCHISEE INFORMATION.....	33
21. FINANCIAL STATEMENTS	34
22. CONTRACTS.....	34
23. RECEIPTS	35

EXHIBITS

EXHIBIT A	Financial Statements
EXHIBIT B	Franchise Agreement (and exhibits)
EXHIBIT C	Area Development Agreement (and exhibits)
EXHIBIT D	List of State Administrators; Agents for Service of Process
EXHIBIT E	General Release Form
EXHIBIT F	List of Franchisees
EXHIBIT G	Operations Manual Table of Contents
EXHIBIT H	Disclosure Acknowledgment Questionnaire
EXHIBIT I	State Addenda
EXHIBIT J	State Effective Dates and Receipt Pages

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

To simplify the language in this disclosure document, “we” means The Budlong Franchise Nevada LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

We are a Nevada limited liability company formed on February 17, 2023. Our principal place of business is at 755 Schneider Dr, South Elgin, Illinois 60177, and our telephone number is (847) 608-8500. Our email address is franchising@craveworthybrands.com. Our agents for service of process are disclosed in Exhibit D.

Our Business Experience, Parent and Affiliates

We grant franchises for the operation of restaurants under the name “The Budlong Hot Chicken” featuring specialty spicy fried chicken and sandwiches, sides, desserts, beverages, and other related food and beverage items (“Restaurants”). We began offering franchises for The Budlong Hot Chicken Restaurants in April 2023. Although we have not directly operated the type of business you will operate, our predecessor (see below) and several related entities currently operate The Budlong Hot Chicken Restaurants.

Our parent is Craveworthy LLC, a Nevada corporation, business address 112 North Curry Street, Carson City, NV 89703 USA.

Our predecessor, SSC Hospitality LLC, an Illinois limited liability company (“Predecessor”), business address 390 Elmgreen Ln, Evergreen, Co 80439, created the “The Budlong Hot Chicken” concept and began operating The Budlong Hot Chicken Restaurants in 2016. Our affiliate, The Budlong Franchise, LLC, an Illinois limited liability company (“Budlong Affiliate”) was formed on June 1, 2022, and acquired the “The Budlong Hot Chicken (and design)” and the “The Budlong” design trademarks, and other trademarks and service marks used in operating the System (defined below) and licenses them to us for use in the System. Budlong Affiliate also acquired the existing The Budlong Hot Chicken Restaurants as of September 7, 2022, and currently, directly or through affiliated entities, operates four The Budlong Hot Chicken Restaurants. Our Predecessor and Budlong Affiliate have not and do not currently offer franchises in any line of business. Budlong Affiliate shares its principal place of business with us.

We do not have any affiliates that provide products or services to our franchisees.

We have the following affiliates that offer the following franchises:

Krafted Burgers Franchise LLC, an Illinois limited liability company, business address 755 Schneider Drive, South Elgin, IL 60177, USA, has offered franchises for Krafted Burger Bar + Tap franchises since 2023.

WIO Franchising LLC, a Nevada limited liability company, business address 755 Schneider Drive, South Elgin, IL 60177, USA, has offered franchises for Wing It On! franchises since 2023.

The Lucky Cat Poke LLC, an Illinois limited liability company, business address 755 Schneider Drive, South Elgin, IL 60177, USA, has offered franchises for Lucky Cat Poke franchises since 2023.

Genghis Grill Franchise Concepts, LP, a Texas limited partnership, business address 8200 Springwood Drive, Suite #230, Irving, TX 75063, has offered franchises for Genghis Grill franchises since January 2005.

Mongolian Management and Investment Company, LLC, a Michigan limited liability company business address 8200 Springwood Drive, Suite #230, Irving, TX 75063, has offered franchises for bd's Mongolian Grill® restaurants since December 1995.

Other than as described above, we have no affiliates, predecessors or parents required to be disclosed in this Item 1.

Franchise Offered

You will sign a “Franchise Agreement” to receive the right to own and operate a Restaurant at a location to which we have consented, offering the “Products” and any services we approve, and using our formats, designs, methods, specifications, standards, operating and marketing procedures and the Marks (as defined in Item 13), including the Mark “The Budlong Hot Chicken” (collectively, the “System”). Our current form of franchise agreement is attached to this Franchise Disclosure Document as Exhibit B (“Franchise Agreement”).

We also offer qualified candidates (“Area Developers”) the right to develop a mutually agreed upon number of The Budlong Hot Chicken Restaurants in a defined development area (“Development Area”) with a specified development schedule (“Development Schedule”). The Development Area will be established based on the consumer demographics of the area, the geographical area, city, county and other boundaries. Area Developers must sign our area development agreement attached to this Franchise Disclosure Document as Exhibit C (“Area Development Agreement”). Area Developers must also sign a franchise agreement for the first The Budlong Hot Chicken Restaurant at the same time as the Area Development Agreement. Area Developers will sign a separate franchise agreement for each The Budlong Hot Chicken Restaurant on the then-current form used by us at the time, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. Area Developers must develop a minimum of three The Budlong Hot Chicken Restaurants under an Area Development Agreement. While we primarily require that franchisees develop multiple units under an Area Development Agreement, we may, under certain circumstances offer a single-unit franchise.

Market and Competition

The Budlong Hot Chicken restaurants offer specialty spicy fried chicken and sandwiches, sides, desserts, beverages, and other related food and beverage items to the customer. The customer base for the Restaurants is broad, consisting of the general public, and includes local residents, college students, and people traveling to the area for work or pleasure. The market and competition are well developed and will include other franchised and company-owned restaurants, retail units, mobile food trucks, and kiosks offering (among other items) various types of food and alcoholic and non-alcoholic beverages.

Laws and Regulations

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to businesses generally also apply to The Budlong Hot Chicken restaurants. All The Budlong Hot Chicken restaurants must comply with federal, state and local laws applicable to the operation and licensing of restaurant businesses, including nutritional disclosure requirements, regulations affecting the content of foods served in restaurants and obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food and liquor service operations. Your Restaurant must also meet applicable municipal, county, state and federal building codes and handicap

access codes. You should consider the cost and time required to comply with these laws and regulations when evaluating your prospective Restaurant.

If you elect to offer and sell alcohol at your Restaurant, then you must secure a liquor license to do so. The difficulty and cost of obtaining a liquor license, and the steps for securing the license, vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state dram shop laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places, such as restaurants.

You should investigate whether there are other regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their affect and cost of compliance.

ITEM 2 BUSINESS EXPERIENCE

Gregg Majewski – Manager

Mr. Majewski has been a Manager since April 2023. Mr. Majewski has also served as the Chief Executive Officer of Mongolian Concepts, LLC (“MC”), located in Irving, Texas, since September 2021, and is located in South Elgin, Illinois. Mr. Majewski has also served as the Chief Executive Officer of Craveworthy Brands LLC (“CW”), located in South Elgin, Illinois, since January 2023. Mr. Majewski has been the Chief Executive Officer of Wildcat Investment, LLC in South Elgin, Illinois since December 1999.

Justin Egan – Vice President of Marketing – Franchise Development & Digital Strategy

Mr. Egan has been our Vice President of Marketing since April 2023, and was Chief Marketing Officer of WIO Franchising Inc. (predecessor to WIO Franchising, LLC) located in Apex, North Carolina from January 2020 to January 2023. Mr. Egan has also served as the Vice President of Marketing of CW since January 2023. He was previously Director of Marketing for the predecessor company Wing It On Franchising LLC located in Apex, North Carolina from April 2018 to January 2020. Prior to working with Wing It On!, Justin held multiple leadership roles in both Product Marketing & Brand Management for The Hartford Insurance Company, located in Connecticut, from September 2008 to April 2018.

Rich Guckel, Vice President of Development

Mr. Guckel has been our Vice President of Development since April 2023. Mr. Guckel is also the Vice President of Development for CW located in in South Elgin, Illinois since January 2023 and for our affiliate MC located in Irving, Texas since October 2019. Previously, Mr. Guckel was the Vice President of Business Development for Argo Tea in Chicago, Illinois from October 2018 to July 2019. Prior to that, Mr. Guckel was the Sr. Director of Franchise Business for LeDuff America in Dallas, Texas from January 2014 to September 2018.

Blake Johnson, Vice President of Marketing

Mr. Johnson has been our Vice President of Marketing since April 2023, and has served as the Vice President of Marketing in Irving, Texas for MC since January 2022 and for CW since January 2023. Prior to that he was the Director of Marketing at Newk's Franchise LLC in Jackson, Mississippi from March 2021 until December 2021, Director of Marketing for MC in Irving, Texas from May 2018 until February 2021, and Brand Marketing Manager of Local Favorite Restaurants LLC in Dallas, Texas from October 2015 until April 2018.

Neil Quinn, Vice President of Finance & Chief Financial Officer

Mr. Quinn has been our Vice President of Finance and CFO since April 2023, and has served as the Vice President of Finance and CFO for MC since June 2021 and CW since January 2023. Mr. Quinn was not employed between April and June 2021. Prior to that he was the Chief Financial Officer of Mazzetta Company, LLC in Highland Park, Illinois from July 2017 until April 2020. Mr. Quinn was not employed from November 2016 until July 2017. Mr. Quinn was also the Vice President of Treasury at McDonald's Corporation in Oak Brook, Illinois from April 1994 until November 2016.

Lori Cominsky, Vice President of Operations and Training

Ms. Cominsky has been our Vice President of Operations and Training since April 2023, and has served as Vice President of Operations and Training of our affiliates MC, located in Irving, Texas since April 2021 and CW since January 2023. Prior to that, she was Vice President of Operations for Protein Bar & Kitchen, located in Chicago, Illinois, from August 2017 to March 2020.

Jason Levinson, Vice President of Technology

Mr. Levinson has been our Vice President of Technology since April 2023, and has served as the Vice President of Technology for our affiliates MC since August of 2022 and CW since January 2023, located in South Elgin, Illinois. Previously, he was Vice President of Technology for Giordano's in Chicago, Illinois from December 2019 to July 2022. Prior to that, Mr. Levinson was the Vice President of Information Technology for Ciccio Restaurant Group in Chicago, Illinois from July 2019 to January 2020. Prior to that Mr. Levinson was Vice President of Information Technology for First Watch Restaurants in Tampa, Florida from January 2017 to January 2019.

Cassie Scholtens, Senior Director of Training and People

Ms. Scholtens has been our Senior Director of Training and People since April 2023, and has served as Senior Director of Training and People of our affiliates MC since March 2020 and CW since January 2023, located in South Elgin, Illinois. Prior to that, she was the Director of Training for MC from March 2018 to March 2020, and was the Operations Support Manager for DK Flat Top Grill, LLC in Burnsville, Minnesota from January 2016 to March 2018.

Becca McIntyre, Vice President of Culinary and Supply Chain

Ms. McIntyre has been our Vice President of Culinary and Supply Chain since April 2023, and has been the Vice President of Culinary and Supply Chain for MC since January 2022 and CW since January 2023, located in Irving, Texas. Prior to that, she was the Director of Culinary and Supply Chain for MC from January 2017 to January 2022.

Jeremy Theisen – Chief Growth and Development Officer

Mr. Theisen has been our Chief Growth and Development Officer since June 2023. Mr. Theisen has also been the Chief Growth and Development Officer of CW, MC, and WIO since June 2023. Prior to that, Mr. Theisen was the Chief Growth Officer for FAT Brands from November 2022 to June 2023 in Beverly Hills, California; Chief Revenue Officer for PathSpot from October 2020 to November 2022 in New York, New York; Executive Vice President, Enterprise Sales and Partnerships for Sevenrooms from January 2020 to October 2022 in New York, New York; and Chief Sales Officer for Punchh from August 2014 to June 2019, in San Mateo, California.

Kimberly DeCarolis – Senior Vice President – Strategic Growth

Ms. DeCarolis has been our Senior Vice President of Strategic Growth since June 2023. Ms. DeCarolis has also served as the Senior Vice President of Strategic Growth of CW, MC, and WIO since June 2023. Prior to that, Ms. DeCarolis was the Director of Franchise Sales for FAT Brands from November 2022 to June 2023 in Beverly Hills, California; Vice President, Sales for PathSpot from October 2020 to January 2023 in New York, New York; Vice President, Enterprise Sales for Sevenrooms from January 2020 to October 2020 in New York, New York; and Senior Vice President, Sales for Punchh from August 2017 to January 2020, in San Mateo, California.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

The “Initial Franchise Fee” for a single Restaurant is \$30,000. The Initial Franchise Fee is paid in a lump sum to us when you sign the Franchise Agreement and is not refundable under any circumstances. If you are an existing The Budlong Hot Chicken Restaurant franchisee acquiring an additional The Budlong Hot Chicken Restaurant, whether under an Area Development Agreement or not, the Initial Franchise Fee is \$20,000. The Initial Franchise Fee is uniform for those purchasing a single franchise.

Area Development Agreement

Area Developers must pay a development fee (“Development Fee”) that is equal to \$10,000 multiplied by the number of Restaurants that you are required to develop in the Development Area in addition to the first Restaurant. For example, if you agree to develop three Restaurants, then your Development Fee would equal \$20,000. The Development Fee is paid to us in a lump sum when you sign the Franchise Agreement and is not refundable under any circumstances.

The Development Fee is to be paid in addition to the Initial Franchise Fee for the first The Budlong Hot Chicken Restaurant to be developed. You will be required to pay the then-current Initial Franchise Fees for each additional The Budlong Hot Chicken Restaurants when you sign each Franchise Agreement. We

will credit a portion of the Development Fee (\$10,000) against the then-current Initial Franchise Fee for the second and each subsequent franchise agreement until the Development Fee is exhausted. Area Developers must open a minimum of three The Budlong Hot Chicken Restaurants. The Development Fee described above is calculated and applied uniformly to all of our franchisees.

Opening Campaign

During the first 90 days after you open your Restaurant, you must spend a minimum of \$10,000 on the Restaurant opening campaign that we have approved in advance (“Opening Campaign”). We reserve the right to collect the Opening Campaign amount directly from you and spend it on your behalf in connection with the Restaurant Opening Campaign. If so collected, the Opening Campaign funds are not refundable under any circumstances. The Opening Campaign requirement described above is uniform for all of our franchisees.

**ITEM 6
OTHER FEES**

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty Fee	6% of total “Gross Sales”	Payable weekly by electronic funds transfer (EFT) each Friday following the week (Wednesday to Tuesday) during which the Gross Sales were made, unless we specify otherwise in writing	(See Note 2)
Brand Development Fee	2.5% of Gross Sales	At the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing	
Local Advertising Contribution	1.5% of Gross Sales, which we will spend on local advertising in your market area	At the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing	
Advertising Cooperative	In the future, we may require you to participate in local or regional advertising cooperatives, in an amount not to exceed the Local Advertising Contribution.	Established by us	Your contributions to any regional or local advertising cooperatives will be credited toward your local marketing obligations.
Technology Fee	Currently \$750 per month	At the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing	We may adjust the amount of the Technology Fee once per calendar year upon 60 days’ notice to you, but the monthly Technology Fee will not increase by more than 3% annually during the initial term.
Late Fee	\$250 per occurrence, plus any bank charges	When incurred	The late fee is not interest or a penalty, but is to compensate us for increased administrative and management costs due to your late payment. This fee does not limit our rights to other available remedies.
Additional Initial Training Program	Currently \$2,500 per attendee, plus our costs and expenses	When incurred	If you appoint a new Operating Principal or general manager, those individuals must attend our initial training program. We may charge you our then-current fee for those new individuals. You also must pay any related travel, room and board expenses.

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Supplemental or Refresher Training	Currently \$500 per day plus our costs and expenses not to exceed \$5,000	When incurred	We may require your Operating Principal and any general manager to attend all supplemental and refresher training programs that we designate for up to 7 days each calendar year, in addition to any Annual Conferences we designate. We will charge you our then-current fee for these supplemental and refresher training programs. You also must pay any related travel, room and board expenses we or you incur.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Restaurant is located, as well as any related assessment.	When applicable, payable after invoiced by us	Only imposed if state collects these taxes or assessments and we seek reimbursement.
Approved Supplier/Product Testing Fee	Currently, \$500 per request plus the costs and expenses we incur (up to \$5,000)	Payable when you request our approval of a proposed supplier or product	We may require you to pay the actual cost of the inspection and evaluation, including the cost of our time spent evaluating the alternative product or supplier.
Relocation Fee	50% of then-current standard initial franchise fee	Payable upon our acceptance of your proposed new location	If you desire to relocate your Restaurant, you must obtain our consent and pay us the Relocation Fee.
Transfer Fee	50% of then-current standard initial franchise fee \$2,500 if less than a controlling interest in you is transferred	Before completion of transfer	You must pay us the Transfer Fee when you notify us of your request to transfer.
Renewal Fee	\$5,000	At least 30 days before renewal of Franchise Agreement	
Remodeling Expenses	Will vary under circumstances	When incurred	(See Note 3).
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We may recover costs and reasonable attorneys' fees if you lose in a dispute with us.
Audit	Cost of audit (including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees) plus interest from due date	15 days after receipt of report	Payable only if audit shows an understatement of at least 2% of Gross Sales for any month
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay Royalty Fee, Brand Development Fee or other amounts owed to us or our affiliates
Insurance Reimbursement	Cost of insurance plus late charges and administrative fee	Payable before opening	If you do not obtain and maintain required insurance, we may obtain insurance and you must reimburse us for insurance, including late charges, together with an administrative fee equal to 5% of the insurance premium.
Operating Assistance	Currently, \$350 per day plus our costs and expenses	When incurred	We may provide you with additional operating assistance for a fee. You may request such assistance or we may require such assistance.
Management Fee	3% of Gross Sales plus our costs and expenses	When incurred	While you are in default, we may manage the Restaurant, or designate a third party to manage the Restaurant, and we will charge you our management fee, plus our costs and expenses.
Quality Assurance Audits	Up to \$250 per inspection	When incurred	We may charge you this fee if we designate a third-party to conduct the inspection on our behalf.

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Mystery Shopper Program Expenses	Cost of third-party mystery shopper services	When incurred	Payable if we establish a mystery shopper program and seek reimbursement for third-party fees related to your Restaurant
Annual Conference	Our then-current conference fee (between \$500-\$1,000 per attendee)	When incurred	We reserve the right to require that you and certain personnel must attend any annual conference that we sponsor or designate, and pay our then-current conference fee. You must pay this fee if you fail to attend without our prior written consent. You also must pay any related travel, room and board expenses you and your personnel incur.
Reimbursement of Designated Programs and Promotions	Costs of marketing, advertising and promotional programs we establish	When incurred	We may require you to reimburse us for any expenses we incur on your behalf for all advertising and promotional programs. Such amounts will be credited toward your local marketing obligations.
Taxes	Varies	When incurred	(See Note 4).

Notes:

- (1) Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed.
- (2) “Gross Sales” means the aggregate amount of all sales of all food and beverages, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Restaurant, including off-premises sales and monies derived at or away from the Restaurant. The term “Gross Sales” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by you; and (2) adjustments for net returns on salable goods and discounts allowed to customers on sales; or (3) discounts for meals for Restaurant employees. Gross Sales will not be adjusted for uncollected accounts. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change. If the state or local jurisdiction in which the Restaurant is located prohibits or restricts in any way your ability to pay royalties and/or the marketing fund contributions on the sale of alcoholic beverages, you will be required to pay such fees/contributions at an increased percentage to offset the amount prohibited or restricted by law.
- (3) You must make such reasonable capital expenditures necessary to remodel, modernize and redecorate the Restaurant premises so that your Restaurant reflects the then-current physical appearance of new Restaurants. We may require you to take such action: (1) 5 years after the date of the Franchise Agreement; (2) as a condition to transfer; (3) as a condition of renewal; and (4) otherwise during the term of the Franchise Agreement as further described in the Operations Manual. We cannot estimate the current cost for a remodeling project because remodeling requirements will vary from Restaurant to Restaurant. You may make these payments in whole or in part to various third parties. If you relocate your Restaurant, you will likely incur certain build-out or remodeling expenses at the new Restaurant premises in addition to paying us the relocation fee.
- (4) You must pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on any initial franchise fees, periodic fees and other payments paid to us under the Franchise Agreement, including any income tax, franchise or other tax levied or assessed against us for the privilege of doing business in your state or on account of services or goods that we provided to you.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE (Note 1)	AMOUNT (Note 2)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Franchise Fee (Note 3)	\$30,000	\$30,000	Lump sum	At signing of Franchise Agreement	Us
Architect/Engineering Fee (Note 4)	\$10,000	\$20,000	As arranged	As incurred	Suppliers designated or approved by us
Business License & Permits	\$1,000	\$10,000	As arranged	As incurred	Government agencies; previous licensee, your attorneys or other third parties
Liquor License (Note 5)	\$0	\$10,000	As arranged	As arranged	Government agencies; previous licensee, your attorneys or other third parties
Rent - First 3 Months (Note 6)	\$10,000	\$40,000	As arranged	As arranged	Landlord
Leasehold Improvements (Note 7)	\$30,000	\$400,000	Varies	Varies	Suppliers
Furniture, Fixtures & Decor (Note 8)	\$10,000	\$50,000	As arranged	Before Opening	Suppliers designated or approved by us
Equipment	\$15,000	\$250,000	As arranged	Before Opening	Suppliers designated or approved by us
Smallwares	\$7,500	\$9,500	As arranged	Before Opening	Suppliers designated or approved by us
Insurance (Note 9)	\$3,000	\$7,500	As arranged	Before Opening	Insurance Company approved by us
Miscellaneous Opening Costs (Note 10)	\$5,000	\$15,000	As incurred	As incurred	Suppliers, Utilities, etc.
Training Costs: Travel and Living Expenses While Training (Note 11)	\$10,000	\$20,000	As incurred	As incurred	Airlines, Hotels and Restaurants
Opening Inventory (Note 12)	\$7,500	\$15,000	As arranged	Before Opening	Suppliers designated or approved by us
Signage (Note 13)	\$5,000	\$20,000	As incurred	As incurred	Suppliers designated or approved by us
Professional Fees (Note 14)	\$3,000	\$15,000	As incurred	As incurred	Professionals – Attorneys & Accountant
Uniforms (Note 15)	\$1,000	\$2,500	Lump Sum	Before Opening	Suppliers designated or approved by us
Computer, Point of Sale System and Annual Maintenance Contract, and Office Equipment and Supplies (Note 16)	\$5,000	\$20,000	As arranged	Before Opening	Suppliers designated or approved by us
Grand Opening Advertising (Note 17)	\$10,000	\$10,000	As incurred	As incurred	Suppliers designated or approved by us

TYPE OF EXPENDITURE (Note 1)	AMOUNT (Note 2)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Additional Funds – First 3 Months (Note 18)	\$15,000	\$45,000	As incurred	As incurred	Employees, Suppliers, Utilities
TOTAL (Excluding Real Estate Cost) (Note 19)	\$178,000	\$989,500			

Notes to Chart 7.A:

- (1) Factors Impacting Expenses. The typical size of a Restaurant is approximately 1800 square feet to 2500square feet. For several items discussed below, your cost will increase as the number of square feet increases. A variety of factors may impact the size of your Restaurant such as the landlord, municipality or zoning board requirements or restrictions, layout of the Restaurant, and availability and cost of leased or purchased space. This table reflects your estimated initial investment for a single Restaurant operated under a Franchise Agreement.
- (2) Amount/Refundability. Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable. We do not provide financing for any amounts payable to us or our affiliates.
- (3) Initial Franchise Fee. You will pay us the Initial Franchise Fee as more fully described in Item 5. Also, as discussed in Item 5, if you sign an Area Development Agreement, then you will also be required to pay us a Development Fee equal to \$10,000 multiplied by the number of additional The Budlong Hot Chicken Restaurants to be developed. The above chart does not reflect the payment of a Development Fee. We require a commitment that you develop at least three Restaurants to enter into an Area Development Agreement.
- (4) Architect/Engineering Fees. This estimate is based on a remodel of an existing building rather than construction of a new building for your first Restaurant. Architect fees for construction may range from \$10,000 to \$20,000. The amount of the architect fees may vary depending upon the architect you choose, the extent of the construction project, the local cost of contract work, the location of the Restaurant and other factors.
- (5) Liquor License (if applicable). The cost of a liquor license will depend primarily upon your locale, the availability of liquor licenses, the ability to move a license, and the market value of liquor licenses. Depending upon these factors, the cost of your liquor license may exceed the high amount in the estimated range disclosed by us and may be greater than \$10,000. Some liquor licenses or permits may not be transferable or renewable. You should seek and retain local counsel familiar with the liquor license regulations in your area. The low estimate in the above chart assumes that you will not offer and sell alcohol at your Restaurant.
- (6) Rent – First Three Months. This estimate does not include pass-through expenses, such as property taxes, insurance, or maintenance. Depending on the market conditions and other factors in your geographic area, the cost associated with the Restaurant premises may vary from the estimates provided in this Item 7. You may also be required to provide a security deposit to your landlord. Our estimates (for 3 months) assume that you will lease the Restaurant premises. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, the landlord’s agreement to reimburse you for certain improvements, the size and location of the premises for your Restaurant, and other economic factors. If you purchase the land and

building for your Restaurant, you will incur significantly greater costs in developing your Restaurant. We must evaluate your Restaurant location, but we do not provide any assurances as to the success of the Restaurant established at a particular location. Typical locations for Restaurants may be near downtown areas, highways, malls, shopping centers, entertainment complexes and other commercial areas.

- (7) Leasehold Improvements. Assuming that you will lease the premises for your Restaurant, you will need to make certain leasehold improvements to the leased premises to comply with our approved plans and specifications. Leasehold improvements include plumbing systems, electrical systems, mechanical systems, lighting, flooring and partition walls. We anticipate that you likely will negotiate the cost of leasehold improvements as part of your rental expense. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Restaurant and other economic factors. We may require you to engage an architect we approve to assist you in the initial design of the floor plan and exterior elevation of your building. We derive no remuneration from using an approved architect to create the initial floor plan and exterior elevation design. Whether any amount paid to an architect is refundable depends upon your agreement with the architect. The exact amount of rental expense will vary greatly, depending on the location of the Restaurant premises, the size of the premises, the portion of rent representing the value of leasehold improvements at the Restaurant premises, local market conditions and other factors. You will incur greater start-up costs if you cannot negotiate the cost of leasehold improvements as part of your rental expense.
- (8) Furniture, Fixtures & Decor. This amount includes estimated expenses for restaurant furniture, menu boards, a safe, AV equipment, tables, chairs, and other miscellaneous items. Your costs may vary as a result of the characteristics of the Restaurant site, price differences among suppliers, and shipping distances from suppliers. We may require you to purchase certain items from us or our approved suppliers. You may purchase or lease approved brands and models of other fixtures, furniture, and decor from any approved supplier.
- (9) Insurance. The insurance estimate reflects insurance costs for a period of three months.
- (10) Miscellaneous Opening Costs. This range includes security deposits, utility costs, incorporation fees, and required licenses (including transfer of existing licenses). This range does not include any costs related to acquisition or transfer of a liquor license. Utility companies may require that you place a deposit before installing telephone, gas, electricity, cable, and related utility services. A typical utility security deposit is equal to one month's expense. These deposits may be refundable under the agreements made with the utility companies.
- (11) Travel and Living Expenses While Training. This range includes your initial cost for training the Operating Principal and up to two additional key management personnel, including their transportation, lodging, meals, and wages. This cost may vary due to the size of the Restaurant and hours of operation. You are responsible for making arrangements and paying expenses for you and your management personnel to attend the initial training program, including transportation, lodging, meals, and wages. The amount expended will depend in part on the distance you must travel and the type of accommodations that you choose. This does not include any additional training that may be required of your management personnel. This estimate contemplates training of the Operating Principal and up to two additional key management personnel for approximately 1 to 3 weeks at a The Budlong Hot Chicken Restaurant certified by us as a "certified training restaurant."

- (12) Opening Inventory. You will need to purchase opening inventory that complies with our specifications and is purchased from us or approved suppliers. We may be an approved supplier for certain items. This amount does not reflect amounts needed to replenish inventory during the initial stage of operation. See Item 8 for additional information. Your expenditures for opening inventory may vary according to your anticipated sales volume and the current market prices. Generally, amounts paid to approved suppliers for inventory is not refundable. Some suppliers sell inventory on a C.O.D. basis, while some suppliers sell inventory on credit terms.
- (13) Signage. We require you to purchase interior and exterior signs that meets our specifications. Local sign codes will dictate the type of signs that is allowed on certain properties and in certain areas.
- (14) Professional Fees. This estimate includes your initial accounting fees and attorney fees for formation of a corporation or other business entity. We recommend that you employ an attorney, an accountant and any other consultants necessary to assist you in establishing your Restaurant. These fees may vary from location to location depending upon prevailing rates.
- (15) Uniforms. This range includes the cost of the uniforms that you must purchase for every employee. The cost of individual uniforms will vary depending on the position of the employee. Uniforms must be purchased from an approved supplier. Uniforms may also be purchased directly from us if available.
- (16) Computer, Point of Sale System and Annual Maintenance Contract, and Office Equipment and Supplies. We require you to purchase the designated Restaurant point-of-sale system described further in Item 11, which includes certain computer hardware and software. In certain situations, you may be able to obtain part of this system at a discount through us. This amount also includes various expenses for general office equipment and supplies.
- (17) Grand Opening Advertising. This amount includes estimated expenses for the Opening Campaign. Opening Campaign expenditures may vary due to the market costs and conditions in which the Restaurant is located. We will require you to spend at least \$10,000 on newspaper, direct mail, advertising, promotional items, and other digital media during your first 90 days of the operation of the Restaurant. Such advertising and promotion must be conducted according to the specifications set forth in the Operations Manual. All Opening Campaign expenditures must be approved by us before they are made.
- (18) Additional Funds – 3 Months. This amount estimates the expenses you will incur during the first 3 months of Restaurant operations, including initial wages and fringe benefits, uniforms costs, taxes, maintenance and service contracts, repairs, and interest payments on any business loans as well as on any interim financing or construction loans. It does not include inventory costs beyond the opening inventory costs identified in the table and does not include your compensation during this 3-month period. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, local economic conditions, the local market for The Budlong Hot Chicken concept and products, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.
- (19) Total. This total is an estimate of your pre-opening initial investment and the expenses you will incur during the first three months of the Restaurant operations. This total is based on our estimate of regional average costs and prevailing market conditions and our management team’s experience operating quick-service restaurants. You should review this information carefully with a business advisor before deciding to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your The Budlong Hot Chicken Restaurant according to our System and specifications. This includes purchasing or leasing all products, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating The Budlong Hot Chicken Restaurant under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our marks or the System.

Designated Products and Services

You must purchase for use or sale at your Restaurant those food products and alcoholic and non-alcoholic drinks used in or sold at your Restaurant and other services or products we designate from us, our designees or from other suppliers we approve. We, our affiliates or our designees may be the designated or sole source of supply for certain services and products.

We may require you to purchase private labeled ingredients, provisions, products, smallwares, merchandise, and other items from us, our affiliates, or our designated suppliers.

We reserve the right to require you to use, at your expense, a third party accounting service or firm that we designate or approve to prepare the required financial records for your Restaurant if you fail to create or maintain those records in the format we require or approve.

Currently, neither we nor our affiliates are a designated supplier for any items.

Location of your Restaurant

You must locate a site for your Restaurant that we approve, and you may not sign a lease or enter into a purchase agreement to acquire any land or building for the site until we have given our approval in writing. We approve locations on a case by case basis, considering items such as size, appearance, and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as purchase price and financing if you are acquiring the land and buildings and rental obligations and other lease terms (including those that we require be in the lease) if you lease the premises for your Restaurant. You are not required to purchase, lease or sublease the Restaurant premises from us or our affiliate.

Building Construction and Leasehold Improvements; Fixtures, Equipment, Furniture and Signs

You must satisfy our specifications and standards in constructing and developing your Restaurant. We will furnish to you prototypical drawings and specifications for your Restaurant, including requirements for overall dimensions, interior and exterior materials, décor, fixtures, equipment, furniture and signs. You must retain a licensed architect we designate or approve and submit working drawings, construction and architectural plans and specifications to us for our approval before you begin construction of your Restaurant. You must submit all revised plans and specifications to us during the course of construction. You must ensure that the plans and specifications comply with the Americans with Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. In developing and operating your Restaurant, you may purchase only the types of construction and decorating materials, fixtures, equipment, furniture and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. We or an affiliate may be an approved supplier of one or more of these items.

Computer Hardware and Software

We currently require you to purchase the point-of-sale system we designate. Currently, Toast is our designated third-party supplier for the POS system. See Items 7 and 11 for further information. We also currently require you to use Restaurant 365 for Restaurant Back Office/Management.

Insurance

You must purchase and maintain in force, at your expense, insurance at a minimum in the types of coverage and amounts we specify, as indicated below, in the Operations Manual or otherwise in writing. All insurance policies must insure you, us and our affiliates and their respective officers, directors and employee, and any other person that we designate from all liability, damages or injury, must be purchased from an approved supplier, and must meet all other requirements that we designate. You will provide us with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these requirements as we periodically require at least two weeks before you take possession and commence development of the Restaurant premises and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

You must purchase and maintain the following types and amounts of insurance as a minimum requirement:

- “all risk” property insurance coverage for assets of the franchise;
- workers’ compensation insurance and employer liability coverage with a minimum limit of \$1,000,000 or higher if your state law requires;
- comprehensive general liability insurance with minimum liability coverage of \$1,000,000 per occurrence, or higher if your state law requires; and
- business interruption insurance in the amount of \$100,000.

The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in the Franchise Agreement.

We may require you to increase the minimum limits of and additional types of coverage in the future as a business practice and to ensure any compliance or best practices as determined solely by us.

Advertising and Promotional Approval

If we provide local Restaurant media planning assistance, you can use our recommended media plan in promoting the Restaurant or otherwise develop, and obtain our advance written approval to, an alternative plan. You also must use only our approved advertising and promotional materials in promoting the Restaurant. You must also participate in all advertising and promotional programs we that we establish and require. See Item 11 for further information regarding advertising programs.

Gift Card and Loyalty Programs

You must, at your expense, participate in, and honor all provisions of any gift card or loyalty programs we establish, and use any designated providers we specify for such programs. You must also participate in any mystery shopper program we require.

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved products and services, other inventory items, fixtures, furniture, equipment, signs, supplies and other items or services necessary to operate your Restaurant. The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment and you can purchase those products only from a source identified on the Approved Suppliers List. We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products. The lists specify the suppliers and the products and services that we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. We may impose limits on the number of approved suppliers and supplies for any products, ingredients, supplies or equipment sold or used in the Restaurant. If you propose to use any products, material, fixture, equipment, sign or other item which we have not approved, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must provide us with sufficient information, specifications, samples photographs, drawings or other information to permit us to determine whether the product, service, material, fixture, equipment, sign or other item (or brand of such item) complies with our specifications, or the supplier meets our approved supplier criteria. We will notify you of our decision within 30 days following our receipt of all information, documents and items requested. You must pay the reasonable cost of the inspection and evaluation, which currently is \$500 per request, plus the costs and expenses we incur. We may re-inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources of supply.

We apply certain general criteria in approving a proposed supplier, including the supplier’s quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

We will notify you in writing if we elect to revoke our approval of a supplier. If we revoke our approval of a supplier, you will have 30 days to stop offering, selling or using those products or other items or services in your Restaurant.

Because we just began franchising as of the issuance date of this disclosure document, we did not receive any revenue as a result of franchisee purchases in the fiscal year ended December 31, 2022.

One or more of our officers have an interest in us. No officer owns a material interest in any other supplier.

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. We are not aware of any purchasing or distribution cooperative in the System. We may attempt to receive volume discounts for the System.

We (directly or through an affiliate) may derive revenue directly or in the form of rebates or other payments from suppliers, based directly or indirectly on sales of Products, advertising materials and other items to franchisees, and from other service providers. These payments may range from less than 1% up

to 10% or more of the total purchase price of those items. We intend to contribute such rebates or payments into the Brand Development Fund, but we are not obligated to do so, and we may use any such rebates or payments that we receive for any purpose that we determine in our sole discretion.

We estimate that the purchase or lease of products, equipment, software, signs, fixtures, furnishings, supplies, advertising and sales promotions materials and other items that meet our specifications will represent approximately 80% to 85% of the cost to develop the Restaurant and approximately 80% to 85% of the cost to operate your Restaurant.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and the Area Development Agreement, if applicable. It will help you find more detailed information about your obligations in these agreements and other items of this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2(A) and 6(A), and Exhibits B and G, of Franchise Agreement; Section 4 of Area Development Agreement	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Sections 6(B)-(D), 6(F)-(G) of Franchise Agreement	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 6(A)-(G) and 7(A), and Exhibits B and G, of Franchise Agreement; Sections 1, 2 and 5 of Area Development Agreement	Items 7 and 11
d. Initial and ongoing training	Sections 1(E), 3(B)(4), 7(B)-(C) and 14(D) of Franchise Agreement	Item 11
e. Opening	Sections 6(E)-6(G) and 7(C) of Franchise Agreement; Sections 1 and 5 of Area Development Agreement	Item 11
f. Fees	Sections 3(B), 4, 5(A)-(C), 5(E), 6(D), 6(F)-(H), 7(B), 7(D), 8(E), 9(K)-(L), 11(C), 14(B)-(D), 15(D) and 18(D) of Franchise Agreement; Section 2 of Area Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	Sections 3(B), 5(B)-(E), 6, 7(D)-(E), 8(A), 9 and 4(B) of Franchise Agreement; Section 7 of Area Development Agreement	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 1(A)-(C), 2(A)-(B), 6(D), 8, 9(J), 9(M), 12, 13(C)-(E), 16(A) of Franchise Agreement; Sections 1 and 8 of Area Development Agreement	Items 13 and 14
i. Restriction on products/services offered	Sections 1(G), 1(I), 2, 4(F), 7(E), 8(B)-(C), 9(C), 9(E) and 9(I) of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Sections 9(E)-(H) of Franchise Agreement	Items 11 and 16
k. Territorial development and sales quotas	Sections 2(B) and 2(C) of Franchise Agreement; Sections 1, 5 and 6 of Area Development Agreement	Items 11 and 12
l. Ongoing product/service purchases	Sections 6(C)-(D) and 9 of Franchise Agreement	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B), 9(A)-(B) and 9(I) of Franchise Agreement	Items 6 and 11
n. Insurance	Section 9(L) of Franchise Agreement	Item 8
o. Advertising	Sections 5, 6(F)-(G), 9(I) and 12(B) of Franchise Agreement	Items 6, 7 and 11
p. Indemnification	Section 17 of Franchise Agreement; Section 11 of Area Development Agreement	None
q. Owner's participation/management/staffing	Sections 9(D) and 9(K) of Franchise Agreement; Section 14 of Area Development Agreement	Item 15
r. Records and reports	Section 10 of Franchise Agreement	Item 6

Obligation	Section in Agreement	Disclosure Document Item
s. Inspections and audits	Section 11 of Franchise Agreement	Item 6
t. Transfer	Section 14 of Franchise Agreement; Section 7 of Area Development Agreement	Items 6 and 17
u. Renewal	Section 3 of Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Sections 13(B), 13(D) and 16 of Franchise Agreement; Section 9.B of Area Development Agreement	Item 17
w. Non-competition covenants	Section 13 of Franchise Agreement; Section 9 of Area Development Agreement	Item 17
x. Dispute resolution	Section 18 of Franchise Agreement; Section 12 of Area Development Agreement	Item 17

ITEM 10 FINANCING

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

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

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

Pre-Opening Assistance. Before you open your Restaurant, we will:

- (1) Provide reasonable consulting services in your evaluation and selection of a site for the Restaurant and consent to the Restaurant site. However, in any event, you are solely responsible for identifying proposed sites that satisfy our minimum site selection criteria (Franchise Agreement – Section 7(A), Exhibit B and Exhibit F)
- (2) Provide you with prototype drawings and specifications for your Restaurant, reflecting our requirements for dimensions, interior design and layout, building materials, fixtures, equipment, furniture, signs and décor (Franchise Agreement – Section 7(A)).
- (3) Provide the initial training program described below to your “Operating Principal” (as defined in Item 15) and two key management personnel. (Franchise Agreement – Section 7(B)).
- (4) Provide to you access to the confidential Operations Manual. You must keep the Operations Manual confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 7(E)).
- (5) Make available to you the Computer System that we have selected for the System as described further below (Franchise Agreement – Section 6(D)).
- (6) Provide you with lists of approved suppliers and approved products, equipment, or services necessary to operate your Restaurant (Franchise Agreement – Section 6(C)). We also do not deliver or install any items for you.

We are not required to assist you with conforming your Restaurant to any ordinances or codes, or hiring any employees.

Ongoing Assistance. During the operation of your Restaurant, we will:

- (1) Provide you with a minimum of 40 hours of assistance in the opening and initial operations of the Restaurant s we reasonably deem necessary provided that, opening assistance shall be subject to the availability of our personnel; and provided that you shall reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals, and wages (Franchise Agreement – Section 7(C) and Exhibit F).
- (2) Provide advisory services relating to Restaurant operations, including Products and services offered for sale, selecting, purchasing and marketing other approved materials and items, marketing assistance and sales promotion programs, and general administrative and operating procedures (Franchise Agreement – Section 7(D)).
- (3) Periodically provide you with updated and revised materials for the Operations Manual (Franchise Agreement – Section 7(E)).
- (4) Operate the Brand Development Fund (Franchise Agreement – Section 5(A)).

Advertising Programs. We establish and conduct certain advertising programs as follows:

You will pay to us for deposit in a brand development and promotional fund (the “Brand Development Fund” or “Fund”) a weekly Brand Development Fee (the “Brand Development Fee”) equal to 2.5% of Gross Sales. We will place all Brand Development Fees we receive in the Brand Development Fund and will manage the Fund. We also will contribute to the Brand Development Fund for each The Budlong Hot Chicken restaurant that we or our affiliates develop or acquire, and operate in the United States following the commencement of our franchise program (April 2023) at the same percentage rate as a majority of The Budlong Hot Chicken restaurants must pay to the Brand Development Fund. Disbursements from the Fund will be made to pay expenses we incur, in our sole discretion, in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, direct mail, promotional and public relations campaigns; expenses related to market research and customer and franchise satisfaction surveys; the cost of product research and development and menu development; creative development services (including creation and modification of The Budlong Hot Chicken Restaurant design and trade dress, logos, menu design, graphics, and vehicle wraps, and advertising and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of online ordering, website hosting and e-commerce programs; and the reasonable costs of administering the Fund, including the cost of employing advertising, public relations and other third party agencies to assist us and providing promotional brochures and advertising materials to The Budlong Hot Chicken restaurants and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Fund. The Brand Development Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Fund. You understand that the Brand Development Fund is intended to maximize the public’s awareness of The Budlong Hot Chicken Restaurants and the System, and that we undertake no obligation to ensure that any individual franchisee benefits directly or on a pro rata basis from the placement, if any, of advertising, marketing or other activities in its local market. Your failure to derive any such benefit, whether directly or indirectly, will not be cause for your nonpayment or reduction of the required contributions to the Brand Development Fund. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for The Budlong Hot Chicken Restaurants, which may include one or more pages dedicated to promotion of the franchise program and franchise sales. We may spend in any fiscal year an amount greater or less than the aggregate contributions of The Budlong Hot Chicken restaurants to the Brand Development Fund in that year. We may have the Brand Development Fund borrow from us or other lenders to cover any Brand Development Fund deficits. If we do not spend the monies

in the Brand Development Fund in the year they were collected, then they will be carried forward to the Brand Development Fund for the following year. We may, through the Brand Development Fund, furnish you with approved local marketing plans and materials on the same terms and conditions as plans and materials we furnish to other The Budlong Hot Chicken restaurants. We will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Brand Development Fund for the most recent calendar year.

Because we just began franchising in April 2023, we did not collect any Brand Development Fees during calendar/fiscal year 2022.

We may develop, and make available to you, local restaurant media planning assistance. If we do so, you must use our recommended media plan in promoting the Restaurant or otherwise develop, and obtain our advance written approval to, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Restaurant. If you desire to use any advertising or promotional materials in promoting the Restaurant which we previously have not approved, you must submit all materials to us for our approval before using any such materials, which approval will not be unreasonably withheld. If we do not disapprove those advertising or promotional materials within 10 days after you submit those materials to us, then you may use the materials, although we reserve the right to later disapprove those materials. If you use any advertising or promotional materials without submitting those materials to us or if you use materials we disapprove, in addition to any separate remedies we may have, any amounts spent on those materials will not be credited toward your local marketing obligations described below.

As described in Item 5 and Item 7, during the first 90 days following the opening of your Restaurant, you must spend a minimum \$10,000 on a Restaurant Opening Campaign that we have approved in advance. You shall submit to us a grand opening advertising marketing plan, in accordance with the requirements set forth in the Operations Manual or as otherwise required by us, 90 days prior to the Restaurant's opening for business. You will use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Restaurant Opening Campaign. We reserve the right to collect the \$10,000 directly from you and spend it on your behalf in connection with the Restaurant Opening Campaign. On or before the last day of each month during the first 3 months of Restaurant operations, you must provide us with an accurate accounting of Restaurant Opening Campaign (advertising and marketing) expenses.

In addition to the Brand Development Fee described above, you are required to pay us 1.5% of your monthly Gross Sales which we will spend to advertise and promote the Franchise in your local market area (the "Local Advertising Contribution"). We will use your Local Advertising Contribution to place advertising in your geographic area, in media, at times and using products and services we deem to be in the interest of your The Budlong Hot Chicken Restaurant. You must also participate in all advertising and promotional programs we establish in the manner we direct. Your participation in these programs will be at your expense and may require that you reimburse us to the extent we incur expenses directly related to those programs on your behalf (and such reimbursements will be credited toward your local marketing obligations).

You will participate in, support and contribute a proportionate share of the cost of any regional or other geographic cooperative marketing programs we designate. Each The Budlong Hot Chicken restaurant located within the designated area of a cooperative will be a member of the cooperative. We or members of the cooperative and their designated officials may be responsible for administering the cooperative. The Budlong Hot Chicken restaurants that we or our affiliates own and operate are not obligated to participate in any cooperative we form or approve. Each cooperative must adopt written governing documents, which must reflect any form documents that we provide to franchisees or otherwise approve. A copy of the governing documents of the cooperative (if one has been established) for your market area will be available upon request. The cooperative will determine the amount of your contribution although we may designate

the contribution amount if the cooperative is unable or unwilling to designate the amount of the contribution, The contribution amounts may not exceed the Local Advertising Contribution. In addition, we reserve the right to establish minimum contribution amounts. We reserve the right to designate regional and other geographic marketing or advertising markets, to establish marketing cooperatives and to establish the bylaws and other rules under which such cooperatives will operate. Your contributions to marketing cooperatives will be credited toward your local marketing obligations described above. As of the issuance date of this disclosure document, we have not established any advertising cooperatives.

As of the issuance date of this disclosure document, we do not have an advertising council composed of franchisees.

Computer System. You must purchase the computer, point-of-sale and reporting system, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed or selected for the System (“Computer System”). The Computer System may include one or more proprietary or other software programs that may be developed or customized for us (the “Proprietary Software”). You must use any such Proprietary Software, and the Proprietary Software will remain the confidential property of us or our third-party supplier. You must enter into our or our designee’s standard form software license agreement in connection with your use of any Proprietary Software. We reserve the right to charge you an initial license fee related to your use of the Proprietary Software. You will pay the then-current fee (if any) for the Proprietary Software at or before the Proprietary Software is delivered to you. The Computer System may also include the use of various technology platforms, applications or services, which may include online ordering, third-party delivery services and other technology-based services as further described in the Operations Manual. You will pay the then-current fees associated with any technology platform we require to the designated third-party provider.

You must pay us a Technology Fee to offset costs related to the Computer System. As of the issuance date of this disclosure document, the Technology Fee is \$750 per month. We may increase the Technology Fee upon 60 days’ notice to you, but the monthly Technology Fee will not increase by more than 3% annually during the initial term of the Franchise Agreement.

As of the issuance date of this disclosure document, the required Computer System includes: (a) Toast POS; (b) Restaurant 365, including the accounting module; (c) Zenput; and (d) Ecolab Prep-n-Print. We estimate that the initial cost for the Computer System will range from \$5,000 to \$20,000. Financing for the Computer System may be available from our designated suppliers. Any software fees are currently paid directly to the relevant approved third-party supplier.

You must have Internet access with a form of high-speed connection as we require. You will use an e-mail address we designate for communication with us. We have the right to designate a single source from which you must purchase the Computer System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the Computer System, including any additions or modifications to any Proprietary Software. We also may independently access financial information and customer data produced by or otherwise located on your Computer System (collectively the “Customer Data”). During the Term, we and you will have joint ownership of the Customer Data that is stored on the Computer System, although you will be responsible for obtaining all customer consents necessary to allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You cannot use the Customer Data for any purpose other than the operation of the Restaurant consistent with our standards of use. There are no contractual limitations on our right to access the information and data.

You may be required to obtain ongoing maintenance and repairs respecting the Computer System, as well as upgrades or updates respecting the Proprietary Software. We estimate the cost of optional or required maintenance, updates and upgrades will be \$0 to \$500 per year. There are no contractual limitations on the frequency and cost of additional maintenance or repair. You must incorporate these upgrades and updates to the Computer System. We, our affiliates, and third-party suppliers are not currently required to provide any ongoing maintenance, repairs, upgrades or updates to you.

Site Selection. We typically do not own the premises of a Restaurant and lease it to a franchisee. If you already have a potential site for a Restaurant, you may propose the location to us. We may consent to the site after we have independently evaluated it. The site for the Restaurant will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed site, you will sign Exhibit B to the Franchise Agreement and will have 3 months following the date of the Franchise Agreement to identify a Restaurant site acceptable to us. We will provide you with our general site selection and evaluation criteria. You shall select the site of the Restaurant within the Site Selection Area set forth in Exhibit B. If you sign Exhibit B to the Franchise Agreement and we cannot agree on a site for a Restaurant, we can terminate your Franchise Agreement. You are solely responsible for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. You assume all costs, liability, expenses, and responsibility for researching, selecting, obtaining, and developing the site for the Restaurant that meets our then-current minimum standards and specifications.

You must submit to us a complete site report (containing information that we may reasonably require) for the proposed Restaurant site. Additionally, you shall submit to us a written description of your proposed location for the Restaurant together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed location. The general site and evaluation criteria which you should consider include demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses (including other The Budlong Hot Chicken restaurants), and other commercial characteristics, and the proposed location, size of premises, appearance and other physical characteristics. We reserve the right to require you to submit to us other materials and information to us, set forth in the Operations Manual, in connection with your proposed site for the Restaurant. We will notify you in writing within 30 days after we receive your complete site report and other materials we request whether the proposed site satisfies our site selection criteria.

After receiving our written evaluation of the proposed location for the Restaurant, you must execute a lease (if the premises are to be leased) or a binding agreement to purchase the site, subject to our review of the terms.

If you sign an Area Development Agreement, then after your first Franchise Agreement you must sign our then-current franchise agreement by no later than the earlier of: (i) 14 days of when we accept a proposed site you submit to us for acceptance, or (ii) 180 days before the expiration of the applicable development period in your Development Schedule.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Restaurant varies from 6 to 12 months. This period may be longer or shorter, depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors. We have the right to terminate the Franchise Agreement if you fail to open and commence operations within 12 months of signing the Franchise Agreement.

Training. The initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Virtual Classroom Training	Hours of On-the-Job Training	Location
Orientation; teammate position testing and training; manager function testing and training	20 hours	30 hours	Certified training restaurant and online (Note 1)
“How to Effectively Run a Shift as the Manager on Duty”; Back of the House; Front of the House and Administrative Areas of Responsibility; and individualized training based upon specific background, needs and responsibilities of trainees	20 hours	30-80 hours	Certified training restaurant; your Restaurant (Note 2)

Note 1: The virtual classroom training will be conducted at various times during the year as needed for a period of approximately 40 to 80 hours over one to three weeks, depending upon the trainees’ experience with our System.

Note 2: The initial training program will include approximately 14 days of in-store and virtual classroom training at the closest certified training restaurant designated by us and at your Restaurant.

Note 3: Lori Cominsky will oversee the initial training program. Ms. Cominsky has been with The Budlong Hot Chicken since 2023 and has been in the industry since at least 2009. Additional employees or contractors of ours who have experience in facets of the operation of a The Budlong Hot Chicken Restaurant will assist Ms. Cominsky with the initial training program.

At least 30 days prior to opening your Restaurant, your Operating Principal and two key management personnel must successfully complete the initial training program. To the extent we permit an individual other than the controlling Principal Owner to serve as the Operating Principal, the controlling Principal Owner separately must attend and successfully complete the initial training program and all supplemental and refresher training programs. If, during the initial training program, we determine that the Operating Principal or any of the key management personnel is not qualified to manage the Restaurant, we will notify you and you must select and enroll a substitute person in the initial training program. We do not have a set schedule for the training classes and we hold initial training classes as needed to train new franchisees. The initial training program will take place over a two to three week period. The initial training program includes classroom instruction and on-site training at a The Budlong Hot Chicken Restaurant certified by Franchisor as a “certified training restaurant” relating to Restaurant operations, understanding the equipment usage and maintenance, customer service, marketing and sales programs and methods of controlling operating costs. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. We will not provide general business or operations training to your employees.

The instructional materials for all training programs include the Operations Manual, handouts and visual aids, and will include virtual classroom instruction, hands-on demonstration and/or practice training at a The Budlong Hot Chicken restaurant.

We do not charge a fee for the first 3 individuals to attend the initial training program. You are responsible for travel and living expenses that your Operating Principal and key management personnel incur while attending the initial training program. If you appoint a new or substitute Operating Principal,

or have more than 3 individuals attend the initial training program, we may charge you our then-current fee for those individuals, which is currently \$2,500 per attendee. You also must pay any related travel, room and board expenses. See Item 7 for additional information on travel and living expenses.

We may require that the Operating Principal and any key management personnel attend all supplemental and refresher training programs that we designate for up to 7 days each calendar year, in addition to any annual conference we designate. We may decide the time and place of training and may charge you our then-current fee for these supplemental and refresher training programs, and require you to pay or reimburse us for the expenses incurred by your representatives, including the costs of travel, lodging, meals, and wages, but that will not exceed \$5,000.

You are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending the initial training program, supplemental or refresher training programs, and any franchise conventions or meetings. You also are solely responsible for paying your employees and providing all necessary insurance, including worker's compensation insurance, for you and your employees, while you and your employees attend training or any franchise conventions or meetings.

Annual Conference. We periodically may hold or sponsor franchise conventions and meetings relating to new Products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. These franchise conventions and meetings may be optional or mandatory, as we designate. We reserve the right to require that your Operating Principal and up to two key management personnel must attend, at your expense, all mandatory franchise conventions and meetings we may hold. If your Operating Principal cannot attend a convention or meeting, he or she must so notify us before the convention or meeting and must have a substitute person acceptable to us attend the event. We reserve the right to charge you a fee for any annual franchise convention or meeting that we sponsor or designate, regardless of your attendance.

Operations Manual. During the term of the Franchise Agreement, we will allow you to access our Operations Manual (the "Operations Manual"). The current table of contents of the Operations Manual is attached as Exhibit H to this disclosure document and has 125 total pages.

ITEM 12 TERRITORY

Franchise Agreement

You will receive a "Protected Territory" surrounding the Restaurant location. The Protected Territory will be delineated by a mile-radius or other boundaries as we determine in our sole discretion. The size of the Territory depends on population density, zip codes, counties, median household income and economic development. If your Restaurant will be located in an urban city, we may grant you a minimum protected territory that is limited to a 1/8th-mile radius surrounding the Restaurant, which is the minimum size of a Protected Territory that we may grant. If your Restaurant will be located in a suburban area, then we may grant you a minimum protected territory of up to a two-mile radius surrounding the Restaurant. During the term of the Franchise Agreement, if you are complying with the provisions of the Franchise Agreement, we will not establish any other franchised or company-owned The Budlong Hot Chicken restaurants in the Protected Territory, except as provided below.

You will not receive an exclusive territory. You may face competition from other franchisees, from businesses that we own or from other channels of distribution or competitive brands that we control. You will not receive an exclusive territory because we reserve the right to operate, or grant others the right to operate The Budlong Hot Chicken restaurants at "Non-Traditional Venues" within your Protected Territory. The term "Non-Traditional Venues" includes any regional, enclosed or similarly situated shopping centers

or malls, airports or other transportation terminals, travel stations, toll roads, train stations, ships, ports, piers, sports facilities, stadiums, college and university campuses, schools, institutional settings, corporate campuses, a department within an existing retail store, big box retailers, hotels and motels, grocery stores, office or in-plant food service facilities, supermarkets and convenience stores warehouse club stores, amusement parks, and all properties controlled by the amusement park, casinos, theatres, building supply stores, hospitals, military and other governmental facilities, and any site for which the lessor, owner or operator shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider or other similar types of locations that have a restricted trade area.

The location of the Restaurant and the Protected Territory will be identified in Exhibit A to the Franchise Agreement. If you do not have a site for your Restaurant when you sign the Franchise Agreement, you will sign Exhibit B to the Franchise Agreement and will have 3 months after the date of the Franchise Agreement to find a site for the Restaurant (acceptable to us) within the designated geographic area.

Once we approve a location within the geographic area established in Exhibit B to the Franchise Agreement, we and you will then sign Exhibit A (which identifies the Protected Territory for your Restaurant). Maintenance of your Protected Territory is not dependent upon achieving certain sales volumes, market penetration or other contingency. Your Protected Territory will not be altered during the initial term of your Franchise Agreement, although it may be altered upon renewal of your franchise.

You may offer catering and delivery services in the Protected Territory to the extent we permit you to do so in writing, and only in compliance with the Franchise Agreement, the Operations Manual and other policies and requirements we impose. We reserve the right to terminate or restrict your right to offer catering and delivery services at any time following written notice. If neither we nor another franchisee operates in an area adjacent to your Protected Territory, you may offer catering and delivery services outside of your Protected Territory with our prior written consent. We retain all rights to all unassigned territory located outside of your Protected Territory, including those rights described below. We may elect to develop or sell any unassigned territory located outside of your Protected Territory at any time without prior notice or accommodation to you.

You may relocate your Restaurant only with our written consent, which we will not unreasonably withhold. If we permit you to relocate your Restaurant, you will pay us a relocation fee equal to 50% of our then-current standard initial franchise fee for services we will provide in assisting you in relocating your Restaurant. In addition, you will need to build out the Restaurant consistent with our then-current standards for new Restaurants.

Area Development Agreement

If you enter into an Area Development Agreement, we will define a Development Area wherein you will have the right to locate and secure the approved site for each Restaurant you must open under your Development Schedule. The size of the Development Area will likely vary among new prospects/developers, with the size of your Development Area typically depending on the demographics of the area in and around the region you wish to develop. We will approve the sites for each Restaurant to be opened under your Development Schedule using our then-current site criteria.

If you are in full compliance with your Area Development Agreement and any existing Franchise Agreement you have entered into with us, then we will grant you the right to open the number of Restaurants you agreed to open as part of your Development Schedule within your Development Area, and, except as otherwise provided below, we will not establish, nor license anyone other than you to establish, a Restaurant in the Development Area during the term of the Development Agreement. Due to our reservation of rights described below, the territorial protection of the Development Area is limited. Therefore, you will not

receive an exclusive territory. You may face competition from other franchisees, from other outlets that we own, or from other channels of distributions or competitive brands that we control.

If you fail to comply with the Development Schedule, or otherwise materially default under the Area Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce the area of territorial rights, reduce the number of Restaurants that you may develop, or terminate the Development Agreement. When the Area Development Agreement expires or is terminated, you cannot develop additional Restaurants in the Development Area (but may complete development of and/or operate Restaurants under then existing Franchise Agreements), and we may develop or authorize others to develop, The Budlong Hot Chicken Restaurants in the Development Area and exercise all rights not expressly granted to you under your Franchise Agreements. Except as described above, continuation of any territorial exclusivity in the Development Area does not depend on the achievement of a certain sales volume, market penetration, or other contingency, and we may not otherwise alter your Development Area during the term of the Area Development Agreement.

Reservation of Rights (Franchise Agreement and Area Development Agreement)

We (for us and our affiliates) retain the right, without compensation to you:

1. to directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken restaurants at locations outside the Protected Territory and, if applicable, the Development Area;
2. to directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken restaurants at Non-Traditional Venues within and outside the Protected Territory and, if applicable, the Development Area
3. to promote, sell and distribute anywhere, including through restaurants or other establishments, the Products and the services authorized for sale at The Budlong Hot Chicken restaurants under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;
4. to promote, sell, distribute and license the Products and the services authorized for sale at The Budlong Hot Chicken restaurants as well as ancillary products and services such as its sauces and other food products, beverages, clothing, glassware and memorabilia under the Marks through dissimilar channels of distribution (*i.e.*, other than the operation of Restaurants), including direct mail, wholesale activities, grocery stores, convenience stores, retail stores, and by electronic means such as the Internet, and other permanent, temporary, or seasonal food service facilities, carts, kiosks, or other mobile food vehicles, such as food trucks, and pursuant to conditions we deem appropriate within and outside the Protected Territory and, if applicable, the Development Area ;
5. to acquire businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken restaurants and operate such businesses regardless of whether such businesses are located within or outside the Protected Territory and, if applicable, the Development Area , and to be acquired by any third party which operates businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken restaurants regardless of whether such businesses are located within or outside the Protected Territory and, if applicable, the Development Area ;

6. to promote the System and the Restaurants generally, including on the Internet (or any other existing or future form of one or more electronic commerce) and to create, operate, maintain and modify, or discontinue the use of websites using the Marks; and

7. to all other rights not explicitly granted to you under the Franchise Agreement and, if applicable, the Area Development Agreement.

We recommend that you concentrate all advertising and other solicitation of customers inside the local geographic area of your Restaurant(s). You may not offer, promote or sell any products or services through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). You will not have the right to subfranchise or sublicense any of your rights under the Franchise Agreement or the Area Development Agreement, as applicable.

We do not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

As of the issuance date of this disclosure document, neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the Products and services authorized for sale at a The Budlong Hot Chicken restaurant under any other trademark or service mark.

ITEM 13 TRADEMARKS

We grant you the right under the Franchise Agreement to operate your Restaurant under the name “The Budlong Hot Chicken,” and other trademarks or service marks we identify (the “Marks”).

The following table lists only the principal Marks that you are licensed to use. Our affiliate The Budlong Franchise, LLC (“Budlong Affiliate”) has filed with the Principal Register of the United States Patent and Trademark Office the applications for the Marks listed below.

Principal Marks	U.S. Registration or Serial No.	Registration/Application Date
Budlong	Ser. No. 97628703	App. Date: October 12, 2022
The Budlong	Ser. No. 97628699	App. Date: October 12, 2022

We do not have a federal registration for these principal Marks. Therefore, the Marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the Marks are challenged, you may have to change to an alternative trademark, which may increase your expenses.

Our right to use and license others to use the Marks is exercised under a trademark and intellectual property license agreement dated February 17, 2023 (the “TM Agreement”) with Budlong Affiliate. Under the TM Agreement, we are granted the right to use and to permit others to use the Marks. The TM Agreement has a perpetual term. If we were ever to lose our right to the Marks, Budlong Affiliate is required under the TM Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements. Other than the TM Agreement, there are no agreements in effect which significantly limit our rights to use or license the Marks in any state in a manner material to the Restaurants.

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct in writing. You may not use any Mark or portion of any Mark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner. You may not market, advertise or promote your

Restaurant or conduct any business using the Marks on any website or otherwise on the Internet, including using social and professional networking sites to promote your Restaurant, except as provided in our written social media policy (if any) or with our prior written approval.

There currently are no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks that are relevant to your use in any state.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We are not aware of any third parties operating other businesses under similar names. We are unaware of any infringing uses or superior rights that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered or pending patent applications that are material to the franchise. We do claim copyright ownership and protection for the Operations Manual as well as our recipes, advertising copy and design, menu designs, written training materials, training videos and for certain other written materials we provide to assist you in operating your Restaurant.

We own certain proprietary or confidential information relating to the operation of The Budlong Hot Chicken restaurants, including information in the Operations Manual and recipes (“Confidential Information”). You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Operations Manual at your expense. During the term of your Franchise Agreement, you and we will have joint ownership of Customer Data stored on your Computer System. As the Customer Data is Confidential Information, you must cease to use it when your Franchise Agreement expires or terminates. We will periodically establish policies respecting the Customer Data.

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

You must designate an individual we approve and who successfully completes our required training to be the operating principal (“Operating Principal”). The controlling Principal Owner (defined below) must be the Operating Principal unless we approve another Principal Owner to serve as the Operating Principal. The Operating Principal is responsible for day-to day Restaurant operations. The Operating Principal assumes his/her responsibilities on a full-time basis and may not engage in any other business or

other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. In addition, at all times, the Restaurant must be under the direct, on-site supervision of the Operating Principal or a general manager. The Operating Principal and general manager may be the same person. We recommend that the Operating Principal have food service experience.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17.

The Restaurant must at all times be under the Operating Principal’s direct supervision, and the Operating Principal or a certified manager who has successfully completed our initial training program must be the on-site manager at the Restaurant at all times. You and the Operating Principal must at all times faithfully, honestly and diligently perform the obligations under this Agreement, and you and the Operating Principal must continuously use its best efforts to promote and enhance the business of the Restaurant.

If at any time the Operating Principal is not managing the Restaurant, we immediately may appoint a manager to manage the Restaurant for you and charge you a reasonable fee for these management services.

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

You must offer and sell in your Restaurant all, and only, those products and services that we have approved (see Item 8). You must at all times maintain an inventory of approved products and other items in such quantities and variety that we direct. We may add new Products or services that you must offer at or use in your Restaurant. Our right to modify the approved list of Products and services to be offered at the Restaurant is not limited.

**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.

A. Franchise Agreement

Provision	Section in Franchise Agreement or Other Agreement	Summary
a. Length of the franchise term	Section 3	10 years.
b. Renewal or extension of the term	Section 3	If you are in good standing, you can renew the Franchise Agreement for 2 additional 5-year terms.
c. Requirements for you to renew or extend	Section 3	Provide advance notice, comply with current Franchise Agreement, satisfactorily complete any new/refresher training programs, sign new agreement (which may contain materially different terms and conditions than your original Franchise Agreement), remodel, provide proof you will maintain possession of the Restaurant premises and remodel the Restaurant as necessary to comply with our then-current standards and specifications, pay renewal fee, and sign a general release of claims.

Provision	Section in Franchise Agreement or Other Agreement	Summary
d. Termination by you	Section 15(A)	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Sections 15(B) and (C)	We may terminate the Franchise Agreement only if you default.
g. "Cause" defined – curable defaults	Sections 15(D)	<p>Failure to conform to the material requirements of the System or the material standards of as described in the Operations Manual or as we have established under the System; failure to timely pay any obligations or liabilities due and owing to us or our affiliates; violation of any material provision or obligation of the Franchise Agreement; and other breaches.</p> <p>The cure period is generally 30 days, except you have only 10 days to cure a failure to pay amounts due, 10 days to cure the revocation or suspension of your liquor license, and you have 15 days after notification of non-compliance by federal, state or local government authorities, 15 days to cure after you purchase any items from an unapproved supplier, and 5 days to cure if you lose or fail to obtain insurance.</p>
h. "Cause" defined – non-curable defaults	Sections 15(B) and (C)	Bankruptcy; unauthorized transfer; failure to complete initial training; material misrepresentation or omission on franchise application; a manager, director, officer or Operating Principal is convicted of certain crimes; abandonment; being involved in an act that impairs the Marks; insufficient funds on three or more times in any 12-month period; violating restrictive covenants; unauthorized offer or sale of products; if you breach the Agreement three or more times in any 12-month period; and other breaches that are non-curable.
i. Your obligations on termination/nonrenewal	Section 16, 13(B), and 13(D)	Cease operation of the Restaurant and use of Marks, pay all amounts due us, stop using and return manuals and other materials, assign to us the Restaurant telephone number and telephone listing or (at our option) disconnect the telephone number, remove all signs and other materials containing any Marks, comply with obligations under any proprietary software license/access agreements, cancel all fictitious or assumed name filings, cease using Confidential Information, sell back to us or return all Products, and comply with all restrictive covenants (see also Item 17(o) and (r) below).
j. Assignment of contract by us	Section 14(A)	Assignee must fulfill our obligations under the agreement.
k. "Transfer" by you-defined	Section 14(B) and (C)	Includes transfer of franchise agreement to entity and transfer of Restaurant or its assets, or your interest in agreement or any significant ("controlling interest") ownership change.
l. Our approval of transfer by franchisee	Sections 14(B) and (C)	We have the right to approve all transfers of the Franchise Agreement, but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 14(C) and Exhibit G to Franchise Agreement	<p>New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current franchise agreement, we approve transfer agreement, transfer fee paid, lease assigned (if applicable), you sign non-compete agreement and general release.</p> <p>If the Principal Owner is separate from the Operating Principal, the Principal Owner must separately attend and complete the initial training program and all supplemental and refresher training programs.</p>
n. Our right of first refusal to acquire your business	Section 14(F)	We can match any offer for your business.
o. Our option to purchase your business	Section 16(C)	When the Franchise Agreement expires or terminates, we may purchase assets at fair market value, less the value of any goodwill associated with our trademarks and other intangible assets.

Provision	Section in Franchise Agreement or Other Agreement	Summary
p. Your death or disability	Section 14(D)	If the Operating Principal dies or is permanently disabled, his/her executor, administrator, or other personal representative must transfer his/her interest within a reasonable time, not to exceed twelve 12 months from the date of death or permanent disability, to a person we approve.
q. Non-competition covenants during the term of the franchise	Section 13(C) and (E)	No involvement in a Competing Business. A “Competing Business” means any business similar to a The Budlong Hot Chicken Restaurant, including any restaurant that offers fried chicken and sandwiches, other items similar to the Products, or any other business that may be confusingly similar to a The Budlong Hot Chicken Restaurant.
r. Non-competition covenants after the franchise is terminated or expires	Section 13(D)	No involvement in a Competing Business that is located at the former site of the Restaurant, within a 10-mile radius of the former site of the Restaurant or any other then-existing The Budlong Hot Chicken restaurant, within the Protected Territory, or within a 10-mile radius of the Protected Territory for two years.
s. Modification of the agreement	Sections 7(E) and 19(D)	No modifications generally, except in writing. We may modify Operations Manual, Marks, System and Products/services to be offered from your Restaurant.
t. Integration/merger clause	Section 19(K)	Only the terms of the Franchise Agreement (including exhibits) and other written agreements are binding (subject to federal and applicable state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Section 18	Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation in the county where our principal business office is located, then (if not resolved) to binding arbitration in the county where our principal business office is located (subject to applicable law).
v. Choice of forum	Section 18(F)	Litigation must be in state or federal court in the county where our principal business office is located (subject to state law). We also have the right to file suit in the State of Nevada (subject to applicable law).
w. Choice of law	Section 18(D)	Nevada law applies (subject to state law).

B. Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	Section 6.A	The term begins upon execution and ends on the earlier of (a) the date you actually open the last Restaurant you are required to open under your Development Schedule, and (b) the expiration of your Development Schedule.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirement for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 6.B	We may terminate your Area Development Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g. “Cause” defined – curable defaults	Section 6.B	If you fail to (1) meet your development obligations under the Development Schedule and (2) cure such default within 30 days of receiving notice thereof.

Provision	Section in Area Development Agreement	Summary
h. "Cause" defined – non-curable defaults	Section 6.B	If: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for 3 consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Restaurants within the Development Area; (ii) insolvency, bankruptcy, reorganization, an assignment for the benefit or creditors or a receiver is appointed by you; (iii) unauthorized sale, transfer or disposal of you or any interest in the Area Development Agreement or the Restaurant, your business, or you; and (iv) any related Franchise Agreement is terminated or subject to termination by us (and we may terminate a Franchise Agreement if you are in default of the Area Development Agreement and fail to cure such default within the applicable cure period, if any).
i. Franchisee's obligations on termination/nonrenewal	Not Applicable	Not Applicable
j. Assignment of contract by franchisor	Section 7	We have the right to transfer or assign the Area Development Agreement and all or any part of our rights, duties or obligations to any person or legal entity without your consent.
k. "Transfer" by franchisee – defined	Section 7	Includes transfer of Area Development Agreement to entity and transfer of business or its assets, or your interest in Area Development Agreement or any significant ("controlling interest") ownership change.
l. Franchisor approval of transfer by franchisee	Section 7	We have the right to approve all transfers of the Area Development Agreement, but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 7	New developer qualifies, all amounts owed us or our affiliates are paid, and you are in good standing, new developer assumes existing Area Development Agreement or (at our option) signs then-current Area Development Agreement, we approve transfer agreement, you sign non-compete agreement and general release.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Noncompetition covenants during the term of the franchise	Section 9.A	No involvement in a Competing Business. A "Competing Business" means any business similar to a The Budlong Hot Chicken Restaurant, including any restaurant that offers fried chicken and sandwiches, other items similar to the Products, or any other business that may be confusingly similar to a The Budlong Hot Chicken Restaurant.
r. Noncompetition covenants after the franchise is terminated or expires	Section 9.B	No involvement in a Competing Business that is located at the former site of the Restaurant, within a 10-mile radius of the former site of the Restaurant or any other then-existing The Budlong Hot Chicken restaurant, within the Development Area, or within a 10-mile radius of the Development Area for two years.
s. Modification of the agreement	Section 13.D	Your Area Development Agreement may not be modified, except by a writing signed by both parties.
t. Integration/merger clause	Section 13.J	Only the terms of the Franchise Agreement (including exhibits) are binding (subject to federal and state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Sections 12 and 13	You must bring all disputes before our management prior to bringing a claim before a third party. At our option, all claims or disputes between you and us must be submitted first to non-binding mediation in in the city nearest to our principal place of business in the United States, as determined by us in our sole discretion, in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect and if mediation is not successful, then by litigation.

Provision	Section in Area Development Agreement	Summary
v. Choice of forum	Section 12.G	Except for our right to seek injunctive relief in any court of competent jurisdiction, litigation must be in state or federal court in the county where our principal business office is located (subject to state law). We also have the right to file suit in the State of Nevada (subject to applicable law).
w. Choice of law	Section 12.D	The Area Development Agreement is governed by the laws of the state of Nevada, without reference to this state's conflict of laws principles (subject to state law).

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

**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 Rich Guckel at 755 Schneider Dr, South Elgin, Illinois 60177, (847) 608-8500, franchising@craveworthybrands.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Restaurant Summary
For Years 2020-2022

Restaurant Type	Year	Restaurants at the Start of the Year	Restaurants at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned*	2020	3	5	+2
	2021	5	5	0
	2022	5	4	-1
TOTAL	2020	3	5	+2
	2021	5	5	0
	2022	5	4	-1

* For purposes of Item 20, The Budlong Hot Chicken restaurants owned by our affiliates, members or officers are considered company-owned Restaurants.

TABLE NUMBER 2
Transfers of Restaurants from Franchisee to New Owners (Other than the Franchisor)
For Years 2020-2022

State	Year	Number of Transfers
TOTAL	2020	0
	2021	0
	2022	0

TABLE NUMBER 3
Status of Franchised Restaurants
For Years 2020-2022

State	Year	Restaurants at the Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Restaurants at the End of the Year
TOTAL	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE NUMBER 4
Status of Company-Owned Restaurants
For Years 2020-2022

State	Year	Restaurants at the Start of the Year	Restaurants Opened	Restaurants Reacquired From Franchisees	Restaurants Closed	Restaurants Sold to Franchisees	Restaurants at the End of the Year
Colorado	2020	0	1	0	0	0	1
	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
Illinois	2020	3	1	0	0	0	4
	2021	4	1	0	0	0	5
	2022	5	0	0	1	0	4
TOTAL	2020	3	2	0	0	0	5
	2021	5	1	0	1	0	5
	2022	5	0	0	1	0	4

*Several locations temporarily ceased operations as a result of the pandemic. Only locations that permanently ceased operations are deemed to have closed for purposes of this Item 20.

TABLE NUMBER 5
Projected Openings
As of December 31, 2022

State	Franchise Agreements Signed But Restaurant Not Opened	Projected New Franchised Restaurants through the End of the Current Fiscal Year	Projected New Company-Owned Restaurants through the End of the Current Fiscal Year
Illinois	0	0	1
Texas	0	0	1
TOTAL	0	0	2

Attached as Exhibit F is a list of all The Budlong Hot Chicken franchisees as of December 31, 2022. We have not had a franchisee who has had a The Budlong Hot Chicken franchise terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement nor transferred a The Budlong Hot Chicken franchise. In addition, no franchisee has failed to communicate with us within the 10-week period before the issuance date of the disclosure document. If you buy a The Budlong Hot Chicken franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We have no trademark specific franchisee association. During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

ITEM 21
FINANCIAL STATEMENTS

Our opening day audited financial statements as of April 3, 2023, are attached as Exhibit A. We have not been in business for three years or more and cannot provide the otherwise required three years of financial statements.

ITEM 22
CONTRACTS

The Franchise Agreement (including the Personal Guaranty) is attached as Exhibit B. The State Addenda are attached as Exhibit I. The General Release Form is attached as Exhibit E. The Disclosure Acknowledgment Questionnaire is attached as Exhibit H.

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this disclosure document (Exhibit J). You should keep one copy as your file copy and return the second copy to us.

EXHIBIT A
FINANCIAL STATEMENTS

**THE BUDLONG FRANCHISE NEVADA, LLC
FINANCIAL STATEMENT
April 3, 2023**

THE BUDLONG FRANCHISE NEVADA, LLC
TABLE OF CONTENTS

Independent Auditor's Report	Page 1 - 2
Balance Sheet	Page 3
Notes to Financial Statements	Page 4

MONIS J. SIDDIQUI, CPA P.C.
Certified Public Accountant
917.309.5670

INDEPENDENT AUDITOR'S REPORT

**To the Stockholders of
The Budlong Franchise Nevada, LLC**

Opinion

We have audited the balance statement of The Budlong Franchise Nevada, LLC, as of April 03, 2023 (inception), and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of The Budlong Franchise Nevada LLC, as of April 03, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 The Budlong Franchise Nevada, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Budlong Franchise Nevada, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 The Budlong Franchise Nevada, 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 The Budlong Franchise Nevada, 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.

Monis Siddiqui, CPA P.C.

Monis Siddiqui, CPA
Bellerose, NY
April 3, 2023

THE BUDLONG FRANCHISE NEVADA, LLC
BALANCE SHEET
APRIL 03, 2023

ASSETS

Cash	<u>\$ 100,000</u>
Total Assets	<u><u>\$ 100,000</u></u>

STOCKHOLDERS' EQUITY

Current Liabilities	<u>\$ -</u>
Stockholders' Equity	<u>100,000</u>
Stockholders' Equity	<u><u>\$ 100,000</u></u>

See notes to financial statements

THE BUDLONG FRANCHISE NEVADA LLC

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

The Budlong Franchise Nevada LLC is an Illinois Limited Liability Company formed in February 2023. The Company sells franchises the opportunity to own and operate a quick service restaurant based on Southern flavors chicken recipes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate under trademark The Budlong, for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes on Income- The Company is a Limited Liability Company "LLC" for income tax purposes. There is no accrued tax payable as of April 3, 2023.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through April 3, 2023, the date the financial statements were available to be issued.

EXHIBIT B
FRANCHISE AGREEMENT



**THE BUDLONG™ HOT CHICKEN
FRANCHISE AGREEMENT**

YOU (FRANCHISEE)

DATE OF AGREEMENT

The Budlong Franchise Nevada LLC
2023 Franchise Agreement

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. DEFINITIONS	1
2. GRANT OF FRANCHISE	2
3. TERM OF FRANCHISE; RENEWAL RIGHTS	4
4. FRANCHISE AND OTHER FEES.....	5
5. ADVERTISING	7
6. DEVELOPMENT AND OPENING OF THE RESTAURANT	8
7. TRAINING AND OPERATING ASSISTANCE	11
8. MARKS.....	13
9. RESTAURANT IMAGE AND OPERATING STANDARDS	14
10. RECORDS AND REPORTS	18
11. INSPECTION AND AUDITS.....	18
12. CONFIDENTIAL INFORMATION/IMPROVEMENTS	19
13. COVENANTS.....	20
14. ASSIGNMENT	21
15. TERMINATION RIGHTS.....	24
16. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION.....	26
17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	28
18. DISPUTE RESOLUTION.....	29
19. ENFORCEMENT.....	30
20. NOTICES	32
21. ACKNOWLEDGEMENTS	32

EXHIBITS

- A – RESTAURANT LOCATION AND PROTECTED TERRITORY
- B – RESTAURANT LOCATION GENERAL AREA
- C – RESTAURANT LEASE ADDENDUM
- D – GUARANTY AND ASSUMPTION OF OBLIGATIONS
- E – FORM CONFIDENTIALITY AGREEMENT

THE BUDLONG™ HOT CHICKEN FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 20____, between The Budlong Franchise Nevada LLC, a Nevada limited liability company, with a principal place of business at 755 Schneider Dr, South Elgin, IL 60177 (“we” or “us”), and _____, a _____ [corporation / limited liability company / partnership] with a principal place of business at _____ (“you”).

INTRODUCTION

A. We have developed and own a System (as defined below) relating to the development and operation of restaurants featuring specialty spicy fried chicken and sandwiches, sides, desserts and other related food and beverage items.

B. Our affiliate owns and licenses to us the “The Budlong™” and “Budlong™” service marks, and other related trademarks and service marks as we periodically may modify (the “Marks”) used in operating the System.

C. We grant qualified persons the right to develop, own and operate a Franchised Business (as defined below) at a specific location.

D. You desire to obtain the right to develop and operate a Restaurant using the System at a specific location.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. DEFINITIONS

A. “Business Day” means any day other than Saturday, Sunday or any other day when banks in the State of New York are closed.

B. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, recipes, Operations Manual (as defined in Section 7(E)), systems, and knowledge of and experience in the operation and franchising of The Budlong Hot Chicken Restaurants that we communicate to you or that you otherwise acquire in operating the Restaurant under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

C. “Development Materials” means a description of the proposed location, a feasibility study (including, without limitation, demographic data, photographs, maps, artists’ renderings, site plans, a copy of the Lease, if applicable, and documentation indicating your prospects to acquire the Authorized Location) and such other information related to the development of the Authorized Location as we reasonably request.

D. “Gross Sales” means the aggregate amount of all sales of all food and beverages, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Restaurant, including off-premises sales and monies derived at or away from the Restaurant. The term

“Gross Sales” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by you; and (2) adjustments for net returns on salable goods and discounts allowed to customers on sales; or (3) discounts for meals for Restaurant employees. Gross Sales will not be adjusted for uncollected accounts. For purposes of the Royalty Fee described in Section 4(B) below, the sale is made at the earlier of delivery of the product or service, or receipt of payment. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.

E. “Marks” means the “The Budlong™” and “Budlong™” service marks, the related design logo, and other trademarks, service marks, domain names, logos, slogans, and commercial symbols that we have designated, or may in the future designate, for use in the System.

F. “Operating Principal” means the designated individual responsible for the day-to-day operation of the Restaurant. The controlling Principal Owner must be the Operating Principal unless we approve another Principal Owner to serve as the Operating Principal. The Operating Principal must successfully complete our initial training program and all mandatory follow-up training programs.

G. “Principal Owner” means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in you. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner.

H. “Products” means specialty spicy fried chicken and sandwiches, sides, desserts and other food items, beverages, and related food and beverage products, and other accessories, that we may (1) identify on the authorized menu for The Budlong Hot Chicken Restaurants, as we periodically may modify, or (2) otherwise approve for sale in the Restaurant.

I. “Protected Territory” means the geographic area, identified in Exhibit A, which is an area surrounding the location of the Restaurant that we determine.

J. “Restaurant” means The Budlong Hot Chicken restaurant developed and operated under this Agreement that offers the Products.

K. “System” means our method of doing business, which includes the sale of Products for the individual consumer under the Marks at select locations, using certain distinctive types of décor, products, equipment (including the Computer System (as defined in Section 6(E) below)), supplies, Confidential Information, business techniques, methods and procedures, sales promotion programs, and the Marks, as we periodically may modify and further improve.

L. “The Budlong Hot Chicken Restaurant” means a restaurant that operates under the Marks and the System featuring means specialty spicy fried chicken and sandwiches, sides, desserts, beverages, and other related food and beverage items.

2. GRANT OF FRANCHISE

A. Grant of Franchise, Authorized Location and Protected Territory. Subject to the provisions contained in this Agreement, we grant you a license (the “Franchise”) to own and operate a The Budlong Hot Chicken Restaurant (the “Restaurant”) at a site we approve (the “Authorized Location”) and to use the

Marks and other aspects of the System in operating the Restaurant. The location of the Restaurant and your Protected Territory are identified in Exhibit A, or alternatively, you and we will complete and sign Exhibit B, in which you and we agree on a geographic area in which the location of the Restaurant will be established, subject to our written consent, within three (3) months after the date of this Agreement. You do not receive any territorial rights upon designation of the geographic area in Exhibit B, and we and our affiliates have the right to operate and franchise other The Budlong Hot Chicken Restaurants within that designated area. Once we consent to a location for the Restaurant within the geographic area established in Exhibit B, however, you and we will sign Exhibit A and identify the Protected Territory.

B. Nature of Your Protected Territory. During the term of this Agreement, if you are in compliance with the terms of this Agreement, we will not directly operate or franchise other persons to operate any other The Budlong Hot Chicken Restaurant within the Protected Territory. The Franchise granted to you under this Agreement is personal in nature, may not be used at any location other than at the Authorized Location, and does not include the right to sell any Products or services identified by the Marks at any location other than at the Authorized Location. This Agreement does not include the right to sell any Products or services identified by the Marks through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). You will not open any other The Budlong Hot Chicken Restaurant, whether within or outside the Protected Territory, unless we permit you to do so under a separate franchise agreement. You will not have the right to subfranchise or sublicense any of your rights under this Agreement. You will not use the Restaurant for any purposes other than the operation of a The Budlong Hot Chicken Restaurant. You also understand and agree that the Protected Territory does not include, and we reserve all franchise and development rights respecting any regional, enclosed or similarly situated shopping centers or malls, airports or other transportation terminals, travel stations, toll roads, train stations, ships, ports, piers, sports facilities, stadiums, college and university campuses, schools, institutional settings, corporate campuses, a department within an existing retail store, big box retailers, hotels and motels, grocery stores, office or in-plant food service facilities, supermarkets and convenience stores warehouse club stores, amusement parks, and all properties controlled by the amusement park, casinos, theatres, building supply stores, hospitals, military and other governmental facilities, and any site for which the lessor, owner or operator shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider or other similar types of locations that have a restricted trade area (“Non-Traditional Venues”) located within the geographic boundaries of the Protected Territory.

C. Catering and Delivery Services. You may offer catering and delivery services in the Protected Territory to the extent we permit you to do so in writing, and only in compliance with this Agreement, the Operations Manual and other policies and requirements we impose. We reserve the right to terminate or restrict your right to offer catering and delivery services at any time following written notice. If neither we nor another franchisee operates in an area adjacent to your Protected Territory, you may offer catering and delivery services outside of your Protected Territory with our prior written consent. You acknowledge and agree that we retain all rights to all unassigned territory located outside of your Protected Territory, including those rights described in Section 2(D) below. We may elect to develop or sell any unassigned territory located outside of your Protected Territory at any time without prior notice or accommodation to you.

D. Rights Reserved to us. We (for us and our affiliates) retain the right:

1. to directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken Restaurants at locations outside the Protected Territory;

2. to directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken Restaurants at Non-Traditional Venues within and outside the Protected Territory;

3. to promote, sell and distribute anywhere, including through restaurants and other establishments, the Products and the services authorized for sale at The Budlong Hot Chicken Restaurants under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;

4. to promote, sell, distribute and license the Products and the services authorized for sale at The Budlong Hot Chicken Restaurants as well as ancillary products and services such as its sauces and other food products, beverages, clothing, glassware and memorabilia under the Marks through dissimilar channels of distribution (*i.e.*, other than the operation of full-service The Budlong Hot Chicken Restaurants), including direct mail, wholesale activities, grocery stores, convenience stores, retail stores, and by electronic means such as the Internet, and other permanent, temporary, or seasonal food service facilities, carts, kiosks, or other mobile food vehicles, such as food trucks, and pursuant to conditions we deem appropriate within and outside the Protected Territory;

5. to acquire businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken Restaurants and operate such businesses regardless of whether such businesses are located within or outside the Protected Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken Restaurants regardless of whether such businesses are located within or outside the Protected Territory; and

6. to promote the System and the Restaurants generally, including on the Internet (or any other existing or future form of one or more electronic commerce) and to create, operate, maintain and modify, or discontinue the use of websites using the Marks; and

We (for us and our affiliates) further retain all other rights not explicitly granted to you under this Agreement.

3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement will be for ten (10) years commencing on the date of this Agreement (the “Effective Date”).

B. Renewal Agreement. You will have the right to enter into a renewal agreement for the Franchise for the Restaurant for two (2) additional terms of five (5) years each, provided you satisfy the following conditions respecting each renewal term:

1. You have given us written notice at least sixty (60) days but no more than one hundred eighty (180) days before the end of the term of this Agreement of your intention to enter into a renewal agreement;

2. You have complied with all of the material provisions of this Agreement and all other agreements between you and us or any of our respective affiliates, including the payment of all monetary obligations you owe to us or our affiliates, and have complied with our material operating and quality standards and procedures;

3. You provide documentation satisfactory to us that you have the right to maintain possession of the Restaurant premises during the renewal term described in our then-current Franchise Agreement and have, at your expense, made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Restaurant premises and to replace and modernize the décor,

supplies, fixtures, signs, and equipment used in operating the Restaurant so that the Restaurant reflects the then-current physical appearance of new The Budlong Hot Chicken Restaurants, or can secure a new location within the Protected Territory to which we have consented (such consent not to be unreasonably withheld) and agree to make all required improvements to the Restaurant premises and install all required fixtures and equipment in compliance with our then-current standards and specifications for new The Budlong Hot Chicken Restaurants;

4. Both a Principal Owner we approve and the Operating Principal complete, to our satisfaction, any new training and refresher training as we may reasonably require. You are responsible for travel, living and compensation costs of attendees;

5. You have paid to us at least thirty (30) days before the term of this Agreement expires a renewal fee equal to Five Thousand Dollars (\$5,000);

6. You sign our then-current standard Franchise Agreement which may differ materially from the provisions of this Agreement; provided that you will be required to pay the renewal fee in lieu of the Initial Franchise Fee stated in the then-current Franchise Agreement; and

7. You and each Principal Owner sign a general release, in form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents.

4. FRANCHISE AND OTHER FEES

A. Initial Franchise Fee. You will pay us an “Initial Franchise Fee” of Thirty Thousand Dollars (\$30,000). The Initial Franchise Fee is payable when you sign this Agreement and is not refundable.

B. Royalty Fee. You will pay us a non-refundable weekly Royalty Fee equal to six percent (6%) of your Gross Sales. The Royalty Fee is due and payable on Friday of each week for the preceding seven (7) day period ending on Tuesday of such week (Wednesday to Tuesday) based on the Gross Sales during such seven (7) day period. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change. You will pay the Royalty Fee to us by electronic funds transfer where we will electronically debit your designated bank account, as described in Section 4(F), unless we specify otherwise in writing. If the state or local jurisdiction in which the Restaurant is located prohibits or restricts in any way your ability to pay Royalty Fees and/or the Brand Development Fees on the sale of alcoholic beverages, you will be required to pay such fees/contributions at an increased percentage to offset the amount prohibited or restricted by law.

C. Brand Development Fee. As further described in Section 5(A) below, you will pay us a non-refundable weekly fee equal to two and one-half percent (2.5%) of Gross Sales (the “Brand Development Fee”). We will deposit the Brand Development Fee into the Brand Development Fund as described in Section 5(A) below. The Brand Development Fee is due and payable at the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing. We may adjust the amount of the Brand Development Fee upon sixty (60) days’ notice to you, provided the Brand Development Fee may not exceed six percent (6%) of Gross Sales.

D. Local Advertising Contribution. As further described in Section 5(B) below, you will pay us a non-refundable weekly fee equal to one and one-half percent (1.5%) of Gross Sales (the “Local Advertising Contribution”). The Local Advertising Contribution is due and payable at the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing.

E. Technology Fee. You will pay us our then-current monthly technology fee (the “Technology Fee”), currently equal to Seven Hundred Fifty Dollars (\$750) per month. The Technology Fee is due at the same time and in the same manner as the Royalty Fee, unless we specify otherwise in writing. You will pay the Technology Fee to us by electronic funds transfer where we will electronically debit your designated bank account, as described in Section 4(F). We may adjust the amount of the Technology Fee once per calendar year upon sixty (60) days’ notice to you, but the monthly Technology Fee will not increase by more than three percent (3%) annually during the initial term of this Agreement.

F. Late Fee. You agree to pay us a late fee for each required payment not made on or before its original due date (and for each payment not honored by your financial institution). This late fee will equal Two Hundred Fifty Dollars (\$250) of the original amount due but not paid on time (plus any bank charges). The late fee is not interest or a penalty but is in lieu of interest and compensates us for increased administrative and management costs due to your late payment.

G. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate to authorize your bank to transfer, either electronically or through some other method of payment we designate, directly to our account and to charge your account for all Royalty Fees, Brand Development Fees, Technology Fees and other amounts you owe us. Your authorization will permit us to designate the amount to be transferred from your account. You must maintain a balance in your accounts sufficient to allow us to collect the amounts owed to us when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

H. Interest on Late Payments. All Royalty Fees, Brand Development Fees, Technology Fees and other amounts which you owe to us or our affiliates will bear interest after the due date at the lesser of: (1) eighteen percent (18%) per year; or (2) the maximum contract rate of interest permitted by law in the state in which the Restaurant is located.

I. Insufficient Funds. In addition to interest charges on late fee payments, you must pay to us a service charge of up to Two Hundred Fifty Dollars (\$250) for each delinquent payment that you owe to us under this Agreement. A payment is delinquent if: (1) we do not receive the payment on or before the date due; or (2) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the date due.

J. Application of Payments. We have discretion to apply amounts due to us or any of our affiliates any payments received from you or any amount we owe you.

K. Withholding Payments Unlawful. You agree that you will not withhold payment of any Royalty Fees, Brand Development Fees, Technology Fees or any other amount due us, and that the alleged non-performance or breach of any of our obligations under the Franchise Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, Brand Development Fees or any other amounts due.

L. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Restaurant is located imposes as a result of your operation of the Restaurant or the license of any of our intangible property in the jurisdiction in which the Restaurant is located. We will have no liability for any taxes that arise or result from your Restaurant, and you will indemnify us and our affiliates for any such taxes that may be assessed or levied against us which arise out of or result from your Restaurant. If any “franchise” or other tax which is based upon the Gross Sales, receipts, sales, business activities, or operation of Franchisee’s Restaurant is imposed upon us or our affiliates by any taxing authority, then you will reimburse us and our affiliates for all such taxes paid by us

or our affiliates. If more than one The Budlong Hot Chicken Restaurant is located in such jurisdiction, they will share the liability in proportion to their Gross Sales from the franchised business, except in the case of sales taxes and gross receipts taxes, which will be divided in proportion to taxable sales to you. If applicable, this payment is in addition to the Royalty Fee payments described above.

5. ADVERTISING

A. Brand Development Fund. You will pay to us for deposit in a brand development and promotional fund (the “Brand Development Fund” or “Fund”) the Brand Development Fee. We will place all Brand Development Fees we receive in the Brand Development Fund and will manage such Fund. We also will contribute to the Brand Development Fund for each The Budlong Hot Chicken Restaurant that we or our affiliates develop or acquire, and operate, in the United States following the commencement of our franchise program (estimated to be April 2023) at the same percentage rate as a majority of The Budlong Hot Chicken Restaurants must pay to the Brand Development Fund. Disbursements from the Brand Development Fund will be made to pay expenses we incur, in our sole discretion, in connection with the general promotion of the Marks and System, including the cost of formulating, developing and implementing advertising, marketing, direct mail, promotional and public relations campaigns; expenses related to market research and customer and franchise satisfaction surveys; the cost of product research and development and menu development; creative development services (including creation and modification of The Budlong Hot Chicken Restaurant design and trade dress, logos, menu design, graphics, and vehicle wraps, and advertising and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of online ordering, website hosting and e-commerce programs; and the reasonable costs of administering the Brand Development Fund, including the cost of employing advertising, public relations and other third party agencies to assist us and providing promotional brochures and advertising materials to The Budlong Hot Chicken Restaurants and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Brand Development Fund. The Brand Development Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Brand Development Fund. You understand that the Brand Development Fund is intended to maximize the public’s awareness of The Budlong Hot Chicken Restaurants and the System, and that we undertake no obligation to ensure that any individual franchisee benefits directly or on a pro rata basis from the placement, if any, of advertising, marketing or other activities in its local market. You further acknowledge that your failure to derive any such benefit, whether directly or indirectly, will not be cause for your nonpayment or reduction of the required contributions to the Brand Development Fund. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for The Budlong Hot Chicken Restaurants, which may include one or more pages dedicated to promotion of the franchise program and franchise sales. We may spend in any fiscal year an amount greater or less than the aggregate contributions of The Budlong Hot Chicken Restaurants to the Brand Development Fund in that year. We may have the Brand Development Fund borrow from us or other lenders to cover any Brand Development Fund deficits. If we do not spend the monies in the Brand Development Fund in the year they were collected, then they will be carried forward to the Brand Development Fund for the following year. We may, through the Brand Development Fund, furnish you with approved local marketing plans and materials on the same terms and conditions as plans and materials we furnish to other The Budlong Hot Chicken Restaurants. We will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Brand Development Fund for the most recent calendar year.

B. Local Marketing and Restaurant Promotion. In addition to the Brand Development Fee due under Section 5(A) above, you are required to pay us the Local Advertising Contribution to be spent on marketing and promotional activities in your local geographic area. We will spend the Local Advertising

Contribution on advertising in your local market area, in the manner, method, and frequency that we determine in our sole discretion may benefit your Restaurant.

C. Cooperative Advertising. In the future, we may require that you will participate in, support and contribute to the cost of regional cooperative advertising programs we designate. We reserve the right to designate regional and local advertising markets, to establish regional advertising councils and to establish the bylaws and other rules under which such councils will operate. Your contributions to regional and local advertising cooperatives will be credited toward your local marketing expenditures described in Section 5(B) above, as we periodically prescribe.

D. Approved Advertising, Media Plans and Restaurant Promotion Materials. We may develop, and make available to you, local restaurant media planning assistance. If we do so, you must use our recommended media plan in promoting the Restaurant or otherwise develop, and obtain our advance written approval to, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Restaurant. If you desire to use any advertising or promotional materials in promoting the Restaurant that we previously have not approved, you must submit all materials to us for our approval before using any such materials, which approval will not be unreasonably withheld. If we do not disapprove those advertising or promotional materials within ten (10) days after you submit those materials to us, then you may use the materials, although we reserve the right to disapprove those materials at any later time. If you use any advertising or promotional materials without submitting those materials to us or if you use materials we disapprove, in addition to any separate remedies we may have, any amounts spent on those materials will not be credited toward your local marketing obligations described in Section 5(B) above.

E. Participation in Certain Programs and Promotions. You must use your best efforts to promote and advertise your Restaurant and must participate in all advertising and promotional programs we establish in the manner we direct. You understand that participation in these programs will be at your expense and may require that you reimburse us to the extent we incur expenses directly related to those programs on your behalf. To the extent you must reimburse us for expenses we directly incur on your behalf for social media, text messaging and other marketing, advertising and promotional programs, such amounts will be credited toward your local marketing expenditures described in Section 5(B) above. You must, at your expense, participate in, and honor all provisions of any gift card and/or loyalty program that we have established or may establish and as we may modify, as further described in the Operations Manual. You also must honor all coupons, discounts and gift certificates as we may reasonably specify in the Operations Manual or otherwise in writing. You must also participate in any mystery shopper program we require, and pay our then-current fee for the mystery shopper program.

6. DEVELOPMENT AND OPENING OF THE RESTAURANT

A. Site Selection. You assume all costs, liability, expenses, and responsibility for researching, selecting, obtaining, and developing the Authorized Location for the Restaurant that meets our then-current minimum standards and specifications. You shall select the Authorized Location of the Restaurant within the Site Selection Area set forth in Exhibit B. We reserve the right to require you to submit to us materials and information to us, set forth in the Operations Manual, in connection with your proposed site for the Restaurant. Among other things, you shall submit to us the Development Materials, including a written description of your proposed location for the Restaurant together with evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed location. We shall give you written notice of our approval or rejection of the proposed location within thirty (30) days after receiving all required materials from you. After receiving our written evaluation of the proposed location for the Restaurant, you must execute a lease (if the premises are to be leased) or a binding agreement to purchase the Authorized

Location, subject to our review of the terms. Our evaluation of any location is not a representation or guaranty that a Restaurant located at the Authorized Location will be successful.

B. Lease for Restaurant Premises. If you enter into a lease for the Restaurant premises, you must provide the proposed lease to us and receive our prior written approval of the proposed lease (which will not be unreasonably withheld) before you sign it. In addition, you and the landlord of the Authorized Location (“Landlord”) must sign a “Lease Addendum” in the form attached hereto as Exhibit C.

C. Your Development of the Restaurant. Promptly after you sign a lease or acquire the premises for the Restaurant, and receive from us the prototype plans and specifications for the Restaurant, you will:

1. with the assistance of a licensed architect we designate or approve, prepare and submit to us for approval any proposed modifications to our basic plans and specifications, which you may modify only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

2. obtain all required building, utility, sign, health, sanitation, food handling, liquor license (if applicable), and business permits and licenses, and any other required permits and licenses;

3. construct all required improvements to the Restaurant premises, purchase and install all required fixtures and equipment and decorate the premises in compliance with the plans and specifications we approve and in compliance with all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

4. establish filing, accounting and inventory control systems complying with our requirements; and

5. contract with a qualified, licensed, insured and bonded general contractor to supervise the construction of the Restaurant.

D. Fixtures, Equipment, Furniture and Signs. You will use in constructing and operating the Restaurant only those types of construction and decorating materials, fixtures, equipment (including computer hardware and software), furniture, and signs that we have approved for The Budlong Hot Chicken Restaurants as meeting our specifications and standards for appearance, function and performance. You may purchase approved types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier we approve or designate (which may include us and/or our affiliates). If you propose to purchase any material, fixture, equipment, furniture or sign we have not then approved, or any items from any supplier we have not then approved, you must first notify us in writing and will provide to us (upon our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the material, fixture, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time. We may charge a reasonable fee up to \$5,000 to evaluate any proposed material, fixture, equipment, furniture, sign, or supplier you submit to us for our evaluation.

E. Computer System. You will use in the Restaurant the computer, point-of-sale and reporting system, including all existing or future communication or data storage systems, components thereof and associated service, which we may develop or select for the System (collectively, the “Computer System”). You also must use the proprietary software programs we may designate for use in operating your Restaurant,

including any software used for the Computer System (collectively, the “Proprietary Software”). You must obtain and use the Proprietary Software from us or our designated third party supplier. The Proprietary Software will remain the confidential property of us or our third party supplier. You must enter into our or our designee’s standard form software license agreement in connection with your use of the Proprietary Software. We reserve the right to charge you a license fee related to your use of the Proprietary Software. You will pay the then-current fee for the Proprietary Software at or before the Proprietary Software is delivered to you. In addition, you must pay us the Technology Fee described in Section 4(D) for computer software support and periodic updates we or our designee provide to you respecting the Proprietary Software. We reserve the right to assign our rights, title and interest in any Proprietary Software to a third party we designate or to replace the Proprietary Software. In such event, you may be required to enter into a separate software license agreement specified by the third party supplier of the Proprietary Software and pay any separate fees imposed under that agreement. You must participate in our designated Payment Card Industry (“PCI”) compliance program and comply with all applicable data security standards. You will pay us or our designated third party supplier the then-current monthly fee and sign our or our designated third party supplier’s standard form agreement related to your participation in our designated PCI compliance program. We also may access financial information and customer data produced by or otherwise located on your Computer System (collectively the “Customer Data”). During the Term, we and you will have joint ownership of the Customer Data that is stored on the Computer System, although you will be responsible for obtaining all customer consents necessary to allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Restaurant. You will have at the Restaurant Internet access with a form of high-speed connection as we require. You will use an e-mail address we designate for communication with us. The computer hardware component of the Computer System must comply with specifications we develop. We reserve the right to require the Computer System to be configured as a package unit. We have the right to designate a single source from which you must purchase the Computer System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and, at our discretion, pay for all future updates and modifications to the Computer System. It is your responsibility to protect yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive all claims you may have against us as the direct or indirect result of such disruptions, failures and attacks.

F. Restaurant Opening. You must comply with any Restaurant opening requirements we periodically describe in the Operations Manual. You will not open the Restaurant for business without our prior written approval. You agree to complete the development and open the Restaurant for business within the time period stated in Exhibit A or Exhibit B, whichever Exhibit is applicable.

G. Restaurant Opening Campaign. During the first ninety (90) days following the opening of your Restaurant, you must spend a minimum of Ten Thousand Dollars (\$10,000) on a Restaurant opening campaign (the “Restaurant Opening Campaign Requirement”) that we have approved in advance. You shall submit to us a grand opening advertising marketing plan, in accordance with the requirements set forth in the Operations Manual or as otherwise required by us, ninety (90) days prior to the Restaurant’s opening for business. You will use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Restaurant opening campaign. We reserve the right to collect all or a portion of the Restaurant Opening Campaign Requirement directly from you and spend it on your behalf in connection with the Restaurant opening campaign. You must provide us with an accurate accounting of Restaurant opening campaign (advertising and marketing) expenses upon request.

H. Relocation of Restaurant. You will not relocate the Restaurant from the Authorized Location without our prior written consent. If you relocate the Restaurant under this Section 6(H), the

“new” franchised location of the Restaurant to which we consent (the “new” Authorized Location), including the real estate and building, must comply with all applicable provisions of this Agreement and with our then-current specifications and standards for The Budlong Hot Chicken Restaurants. We will not unreasonably withhold our consent to the proposed relocation, provided we have received at least ninety (90) days’ written notice prior to the closing of the Restaurant at the existing Authorized Location, you have obtained a site to which we have consented, and you agree to open the new Authorized Location for the Restaurant within five (5) days after you close the Restaurant at the prior Authorized Location and comply with any other conditions that we may require. If you must relocate the Restaurant because the Restaurant was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, you must reopen the Restaurant at the new Authorized Location in the Protected Territory within twelve (12) months after you discontinue operation at the existing Authorized Location.

In addition, we will require you to pay us a non-refundable relocation fee equal to fifty percent (50%) of our then-current standard initial franchise fee applicable to new The Budlong Hot Chicken Restaurants (the “Relocation Fee”) for services we will provide in connection with any relocation of the Restaurant. You must pay the Relocation Fee to us upon our acceptance of your proposed new location for the Restaurant.

There is no guarantee that an acceptable location will be available for relocation, and if you cannot relocate your Restaurant within the Protected Territory and reopen your Restaurant within the time periods described in this Section 6(H), this Agreement will terminate.

I. Minimum Restaurant Capital Requirements. We reserve the right, as periodically described in the Operations Manual, to require you to directly invest (i.e., assets belonging to you or the Principal Owner(s) of a corporate entity) a minimum amount of capital in operating the Restaurant.

7. TRAINING AND OPERATING ASSISTANCE

A. Development of Restaurant. We will provide you with prototype drawings and specifications for a Restaurant, reflecting our requirements for dimensions, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor. We may provide you with reasonable consulting services in connection with the selection and evaluation of the proposed Restaurant site and development of the Restaurant, although you are solely responsible for identifying proposed sites that satisfy our minimum site selection criteria. You acknowledge that our assistance in site location and consent to the premises does not represent a representation or guaranty by us that the location will be a successful location for your Restaurant.

B. Training. Before the opening of the Restaurant, we will provide to the Operating Principal and up to two (2) additional key management personnel an initial training program on the operation of a Restaurant, provided at a place and time we designate. The Operating Principal and each of the key personnel that attends the initial training program must attend and successfully complete the entire initial training program. To the extent we permit an individual other than the controlling Principal Owner to serve as the Operating Principal, the controlling Principal Owner separately must attend and successfully complete the initial training program and all supplemental and refresher training programs referenced below.

The initial training program for the Operating Principal and management personnel will take place over a two (2) to three (3) week period. The initial training program includes virtual classroom instruction and on-site training at a The Budlong Hot Chicken Restaurant certified by Franchisor as a “certified training restaurant” relating to Restaurant operations, understanding the equipment usage and maintenance, customer service, marketing and sales programs and methods of controlling operating costs. We reserve

the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. If, during the initial training program, we determine that the Operating Principal or any of the management personnel is not qualified to manage the Restaurant, we will notify you and you must select and enroll a substitute Operating Principal or management personnel in the initial training program.

In addition, all new Operating Principals and key management personnel must complete our designated initial training program. We may charge you our then-current fee for those new or additional individuals who attend the initial training program.

We may require that the Operating Principal and any key management personnel attend all supplemental and refresher training programs that we designate for up to seven (7) days each calendar year, in addition to any Annual Conferences we designate (as described below). We may charge you our then-current fee for these supplemental and refresher training programs, and pay or reimburse us for the expenses incurred by your representatives, including the costs of travel, lodging, meals, and wages, but that will not exceed Five Thousand Dollars (\$5,000).

You are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending the initial training program, and the manager certification program, as well as any supplemental or refresher training programs. You also are solely responsible for paying your employees and providing all necessary insurance, including worker's compensation insurance, for you and your employees, while you and your employees attend training.

C. Opening Assistance. We will provide you with a minimum of forty (40) hours of assistance in the opening and initial operations of the Restaurant as we reasonably deem necessary provided that, opening assistance shall be subject to the availability of our personnel; and provided that you shall reimburse us for any expenses incurred by our representatives, such as costs of travel, lodging, meals, and wages. We will determine the days and time at which our representatives are available to you.

D. Operating Assistance. We will advise you on operational issues and provide assistance in operating the Restaurant as we deem appropriate. Operating assistance may include advice regarding the following:

1. additional Products and services authorized for sale at The Budlong Hot Chicken Restaurants;
2. selecting, purchasing and marketing Products, and other approved materials and supplies;
3. marketing assistance and sales promotion programs;
4. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the proper operation of a The Budlong Hot Chicken Restaurant.

We will provide such guidance, in our discretion, through our Operations Manual, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Restaurant in conjunction with an inspection of the Restaurant. We will provide additional assistance for a fee.

E. Operations Manual. We will provide on loan to you, during the term of this Agreement, a hard copy of or electronic (Internet) access to an Operations Manual, which may include other handbooks,

manuals and written materials (collectively, the “Operations Manual”) for The Budlong Hot Chicken Restaurants. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures that we develop for The Budlong Hot Chicken Restaurants and information relating to your other obligations. Any required specifications, standards and operating procedures exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not to establish any control or duty to take control over those matters that are reserved to you. We may add to, and otherwise modify, the Operations Manual to reflect changes in authorized Products and services, and specifications, standards and operating procedures of a The Budlong Hot Chicken Restaurant. The master copy of the Operations Manual that we maintain at our principal office or on our website, and make available to you by hard copy or electronic access, will control if there is a dispute involving the contents of the Operations Manual.

F. Annual Conference. We reserve the right to require your Operating Principal and up to two (2) additional key management personnel to attend any annual franchise conference that we sponsor or designate (“Annual Conference”). If we have an Annual Conference, then you must pay to us our then-current conference fee and you are responsible for all travel and living expenses. If you fail to attend the Annual Conference without our prior written consent, you must pay our then-current fee for two people for failing to attend the franchise conference.

8. MARKS

A. Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the term of the Franchise. You agree that the use of the Marks and any goodwill established exclusively benefits us and our affiliates, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the term of this Agreement or after your termination or expiration, contest or assist any other person in contesting the validity or ownership of any of the Marks.

B. Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Restaurant, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, nor may you use any Mark in selling any unauthorized product or service or in any other manner we do not expressly authorize in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access and participate in our website as further described in Section 9(M) below. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any Products or similar products or services on the Internet (or any other existing or future form of electronic communication) including e-mail marketing or other digital marketing; (3) create or register any Internet domain name in any connection with the Restaurant; (4) use any e-mail address which we have not authorized for use in operating the Restaurant; and (5) conduct any activity on social media or social networking website other than as we have expressly authorized in writing. You will not register, as Internet domain names, any of the Marks that we or our affiliates now or hereafter may own or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar.

D. Notification of Infringements and Claims. You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us, our affiliates and our respective legal counsel regarding any infringement, challenge or claim. We or our affiliates may take any action we or our affiliates deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we or our affiliates may reasonably request to protect and maintain our and our affiliates' interests in any litigation or other proceeding or to otherwise protect and maintain our and our affiliates' interests in the Marks.

E. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will immediately notify us of any claims or complaints made against you respecting the Marks and you will, at your sole expense, cooperate in all respects with us and our affiliates in any court or other proceedings involving the Marks. Subject to our right of indemnification (as described in Section 17 below), we will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our affiliates and our respective legal counsel will have the right to control and conduct any litigation relating to the Marks.

F. Changes. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right, in our discretion, to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution, at your sole cost and expense, within a reasonable time after notice by us.

9. RESTAURANT IMAGE AND OPERATING STANDARDS

A. Condition and Appearance of Restaurant/Remodeling of Restaurant. You agree to maintain the condition and appearance of the Restaurant (including adjacent parking areas and grounds), and refurbish and modify its layout, decor and general theme, as we may require to maintain the condition, appearance, efficient operation, ambience and overall image of The Budlong Hot Chicken Restaurants, as we may modify. You will replace worn out or obsolete fixtures, equipment, furniture, or signs, repair the interior and exterior of the Restaurant, adjacent parking areas and grounds, and periodically clean and redecorate the Restaurant. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Restaurant premises (including parking areas and grounds) or its fixtures, equipment, furniture or signs do not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency. If you fail, within ten (10) days after receipt of notice, to commence action and continue in good faith and with due diligence, to undertake and complete any required maintenance or refurbishing, we may (in addition to our rights under Section 15 below) enter the Restaurant premises and correct the deficiencies on your behalf, and at your expense.

In addition to your obligations above, you will, at your expense, make such reasonable capital expenditures necessary to remodel, modernize and redecorate the Restaurant premises so that the Restaurant reflects the then-current physical appearance of new The Budlong Hot Chicken Restaurants. We may require you to take such action: (1) five (5) years after the date of this Agreement; (2) as a condition to the transfer of any interest as further described in Section 14(C); (3) as a condition of renewal; and (4) otherwise during the term of the Agreement as further described in the Operations Manual. You acknowledge and agree that the requirements of this Section 9(A) are both reasonable and necessary to ensure continued public acceptance and patronage of The Budlong Hot Chicken Restaurants and to avoid deterioration or obsolescence in connection with the operation of the Restaurant.

If the Restaurant is damaged or destroyed by fire or any other casualty, you will, within thirty (30) days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, to restore the Restaurant premises to its original condition before the casualty. If, in our reasonable judgment, the damage or destruction is of a nature or to an extent that you can repair or reconstruct the premises of the Restaurant consistent with the then-current decor and specifications of a new The Budlong Hot Chicken Restaurant without incurring substantial additional costs, we may require, by giving written notice, that you repair or reconstruct the Restaurant premises in compliance with the then-current decor and specifications.

B. Restaurant Alterations. You cannot alter the premises or appearance of the Restaurant, or make any unapproved replacements of or alterations to the fixtures, equipment, furniture or signs of the Restaurant without our prior written approval. We may, in our discretion and at your sole expense, correct any alterations to the Restaurant that we have not previously approved.

C. Restriction on Use of Premises. You agree that you will not, without our prior written approval, offer at the Restaurant any products or services we have not then authorized for use or sale for The Budlong Hot Chicken Restaurants, nor will the Restaurant or the premises which it occupies be used for any purpose other than the operation of a The Budlong Hot Chicken Restaurant in compliance with this Agreement.

D. Your Hiring and Training of Employees. You will hire all employees of the Restaurant, and be exclusively responsible for the terms of their employment, scheduling, benefits, disciplining, compensation, and all other personnel decisions. You will implement a training program for Restaurant employees in compliance with our requirements. You will maintain at all times a staff of trained employees sufficient to operate the Restaurant in compliance with our standards. You must ensure that all Restaurant employees comply with all required licenses and certifications respecting the Restaurant. At all times, the Restaurant must be under the direct, on-site supervision of the Operating Principal or a certified manager who has completed our initial training program.

E. Authorized Ingredients, Supplies and Equipment. You agree to offer and sell at the Restaurant all and only the Products and services which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. In addition, you agree to use in the operation of the Restaurant only such beverages, ingredients, recipes, formulas, supplies and equipment that we have approved as being suitable for use and meeting the standards of quality and uniformity for the System and are purchased from suppliers we have approved (which may include us and/or our affiliates). We periodically may modify the lists of approved Products, services, brands and suppliers. If you propose to offer for sale or use in operating the Restaurant any products, ingredients, supplies and equipment which we have not approved, you must first notify us in writing, pay our then-current vendor review fee and related costs we incur, and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within thirty (30) days of our receipt of all requested documents, information, and items whether the proposed brand and/or supplier is approved. We may develop procedures for the submission of a request for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by the approved supplier). We may impose limits on the number of suppliers and/or brands for any products, ingredients, supplies or equipment sold or used in the Restaurant or otherwise related to the Franchise, and we may require that you use only one supplier for any Products, ingredients, supplies or equipment. You agree that certain Products, materials, and other items and supplies may only be available from one source, and we or our affiliates may be that source. **WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, RESPECTING**

PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED POINT-OF-SALE SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS THAT ARE MANUFACTURED OR DISTRIBUTED BY THIRD PARTIES AND THAT WE APPROVE FOR USE IN THE SYSTEM.

F. Health and Sanitation. You must comply with all applicable governmental health and sanitary standards in operating and maintaining your Restaurant. You also must comply with any higher standards that we prescribe. In addition to complying with such standards, if the Restaurant will be subject to any governmental sanitary or health inspection under which it may be rated in one or more than one classification, the Restaurant will be maintained and operated so as to be rated in the highest available health and sanitary classification respecting each such inspection. If you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you will immediately notify us of such failure or noncompliance.

G. Restaurant Operation. We will approve the hours of operation for the Restaurant and you may not modify those hours of operation without our prior written consent.

H. Standards of Service. You must at all times give prompt, courteous and efficient service to your customers. You must, in all dealings with your customers and suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

I. Specifications, Standards and Procedures. You acknowledge that each detail of the appearance and operation of the Restaurant is important to us and other The Budlong Hot Chicken Restaurants. You agree to maintain the highest standards of quality and service in the Restaurant and agree to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written or oral communication to you) relating to the appearance or operation of a The Budlong Hot Chicken Restaurant, including:

1. type and quality of Products and Product procurement;
2. methods and procedures relating to marketing and customer service;
3. the safety, maintenance, cleanliness, function and appearance of the Restaurant premises and its fixtures, equipment, furniture, décor and signs;
4. qualifications, dress, general appearance and demeanor of Restaurant employees. Each of your employees will wear only those uniforms which we have approved in writing;
5. the style, make and/or type of equipment (including computer equipment) used in operating the Restaurant;
6. use and illumination of exterior and interior signs, posters, displays, standard formats and similar items;
7. quality of and customer satisfaction respecting catering and delivery services performed; and
8. Restaurant advertising and promotion.

J. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Restaurant, and must operate the Restaurant in full compliance with all applicable laws, ordinances and regulations, including all

labor and employment laws. In addition, if we permit you to serve alcoholic beverages at the Restaurant, you also must secure and maintain a liquor license and must operate the Restaurant in compliance with all liquor laws such as dram shop laws. You will comply with all tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, liquor taxes, personal property taxes and real estate taxes, and federal, state and local income tax laws). You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of you or the Restaurant. You must notify us immediately of any suspected data breach at or in connection with the Restaurant. You will not conduct any business or advertising practice which may or does injure us, our business, the System, the Marks, or the goodwill associated with the Marks and other The Budlong Hot Chicken Restaurants.

K. Management of the Restaurant/Conflicting Interests. The Restaurant must at all times be under the Operating Principal's direct supervision and the Operating Principal or a certified manager who has successfully completed our initial training program must be the on-site manager at the Restaurant at all times. You and the Operating Principal must at all times faithfully, honestly and diligently perform the obligations under this Agreement, and you and the Operating Principal must continuously use its best efforts to promote and enhance the business of the Restaurant. The Operating Principal must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with your obligations.

If at any time the Operating Principal is not managing the Restaurant, we immediately may appoint a manager to maintain Restaurant operations on your behalf. Our appointment of a manager of the Restaurant does not relieve you of your obligations or constitute a waiver of our right to terminate the Franchise under Section 15 below. We are not liable for any debts, losses, costs or expenses you incur in operating the Restaurant or to any of your creditors for any Products, materials, supplies or services purchased by the Restaurant while it is managed by our appointed manager. We may charge you a management fee equal to 3% of your Gross Sales for the period in which we appoint a manager and require you to reimburse us for our costs and expenses in providing such services. We may cease to provide such management services at any time.

L. Insurance. You agree to purchase and maintain in force, at your expense, insurance at a minimum in the types of coverage and amounts we specify in the Operations Manual or otherwise in writing. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us and that have an A.M. Best rating of A or higher; (2) will name us and our affiliates, and their respective officers, directors and employees, as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the above-mentioned insurance coverage for each The Budlong Hot Chicken Restaurant that you operate; and (5) provide that we will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as the insurance carrier may require and approved by us). We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If at any time you fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur, together with an administrative fee equal to five percent (5%) of the insurance premium. You will provide us with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these

requirements as we periodically require at least two (2) weeks before you take possession and commence development of the Restaurant premises and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require. Your obligation to obtain and maintain these insurance policies in the amounts specified will not be limited in any way due to any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 17. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide you with adequate coverage. The insurance requirements specified in this Agreement are for our protection. You should consult with your own insurance agents, attorneys and other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits we require.

M. Participation in Our Website. You will participate in our website listed on the Internet or other online communications (the “Website”) and participate in any intranet system we control. We will, at our discretion, determine the content and use of the Website and intranet system and will establish rules under which you may or will participate. We will retain all rights relating to the Website and intranet system and may alter or terminate the Website or intranet system upon thirty (30) days’ notice to you. Your general conduct on the Internet and our intranet system, and specifically your use of the Marks or any advertising on the Internet (including the domain name and any other Marks we may develop as a result of participation in the Internet), will be subject to the provisions of this Agreement. You acknowledge that certain information obtained through your online participation in the website or intranet system is considered Confidential Information, including access codes and identification codes. Your right to participate in the Website or intranet system or otherwise use the Marks or the System on the Internet will terminate when this Agreement expires or terminates.

10. RECORDS AND REPORTS

Accounting and Records. During the term of this Agreement, you will, at your expense, maintain at the Restaurant premises and retain for a minimum of five (5) years from the date of their preparation, complete and accurate books, records and accounts (using such methods and systems of bookkeeping and accounting as we may require) relating to the Restaurant (the “Records”), in the form and manner we direct in the Operations Manual or otherwise in writing. The Records will include the following: (1) monthly and annual chart of accounts; (2) monthly income statements; (3) monthly balance sheet and profit and loss statements; (4) monthly bank statements; (5) all annual tax returns relating to the Restaurant and each of its Principal Owners; (6) a complete annual financial statement (which, at our request, must be audited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us and showing the results of your operations during such fiscal year; and (7) such other records and information as we periodically may request. You will be permitted to preserve the Records and submit reports electronically, consistent with our requirements. For all Records that are due to us on a monthly basis, you must provide those Records to us on or before the tenth (10th) day of the following calendar month; and for all Records that are due to us on an annual basis, you must provide those Records to us on or before thirty (30) days following the end of the calendar year. The Records must be created and maintain in a format we require or as we approve. If you fail to create or maintain the Records in the format we require or approve, we reserve the right to require you to use, at your expense, a third party accounting service or firm that we designate or approve to prepare the Records.

11. INSPECTION AND AUDITS

A. Our Right to Inspect the Restaurant. To determine whether you are complying with this Agreement, we or our designees may, at any time during business hours and without prior notice to you,

inspect the Restaurant and test, sample, inspect and evaluate your supplies, ingredients and Products as well as the storage and preparation of those items. You will fully cooperate with our representatives or designees making any inspection and will permit our representatives or designees to take photographs or videotapes of the Restaurant and to interview employees and customers of the Restaurant. If we use the services of a third-party to conduct the inspection as our designee, then we may charge you a fee of up to \$250 per inspection conducted by our designee. If we establish a mystery shopper program, we may require you to pay for the reasonable expense of mystery shopper visits at your Restaurant.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records, including the books, records and state and/or federal income tax records and returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Restaurant premises. You will make financial and other information available at a location we reasonably request, and will allow us (and our agents) full and free access to any such information at the Restaurant. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit: Unreported Gross Sales. If any examination or audit discloses an understatement of Gross Sales, you will pay to us, within fifteen (15) days after receipt of the examination or audit report, the Royalty Fees and any Brand Development Fees due on the amount of the understatement, plus interest (at the rate provided in Section 4(G) above) from the date originally due until the date of payment. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Sales for any month are understated by two percent (2%) or greater. The foregoing remedies are in addition to all of our other remedies and rights under applicable law.

12. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Restaurant pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary and is our trade secret and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Restaurant employees; and (5) will sign a Confidentiality Agreement and will require the Operating Principal and other Restaurant managers, employees and agents with access to Confidential Information to sign such an agreement in a form attached here as Exhibit E.

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Improvements. You must fully and promptly disclose to us all ideas, concepts, products, recipes, process methods, techniques, improvements, additions and Customer Data relating to the

development and/or operation of a The Budlong Hot Chicken Restaurant or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Restaurant, or any advertising or promotion ideas related to the Restaurant (collectively, the “Improvements”) that you, the Principal Owners or your employees or agents conceive or develop during the term of this Agreement. You and your Principal Owners, agents and employees acknowledge and agree that any Improvement is our property, and you and your Principal Owners, agents or employees must sign all documents necessary to evidence the assignment of the Improvement to us without any additional compensation. We may use the Improvement and disclose and/or license the Improvement for use by others. You must not introduce any Improvement or any additions or modifications of or to the System into the Restaurant without our prior written consent.

13. COVENANTS

A. Organization. You and each Principal Owner represents and warrants to us, and agrees to the following:

1. You are organized and validly exist under the laws of the state where you were formed and are qualified and authorized to do business in the jurisdiction where the Protected Territory and Restaurant is located;

2. Your articles of incorporation, bylaws, operating agreement or other organizational documents (“Authorizing Documents”) at all times will provide that your business activities will be limited exclusively to the ownership and operation of the Restaurant, unless you otherwise obtain our written consent;

3. You have the power under the Authorizing Documents to sign this Agreement and comply with the provisions of this Agreement;

4. You must provide us copies of all Authorizing Documents and any other documents, agreements or resolutions we request in writing;

5. The names of all Principal Owners are accurately stated on the Guaranty attached hereto as Exhibit D; and

6. You will maintain a current schedule of the Principal Owners and their ownership interests (including the Principal Owners’ names, address and telephone numbers) at all times and will immediately provide us with an updated ownership schedule if there is any change in ownership.

B. Non-Solicitation of Customers. You covenant that, during the term of this Agreement, and for a period of two (2) years thereafter, you will not, directly or indirectly divert or attempt to divert any business, account or customer of the Restaurant or any other The Budlong Hot Chicken Restaurants or the System to any Competing Business (as defined below).

C. Covenant Not to Compete During Term. You (and the Operating Principal and each other Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or directly competing business: (i) divert or attempt to divert any business or customers of the Restaurant to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Competing Business (including any e-commerce or Internet-based

business), except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us.

D. Post-Term Covenant Not to Compete. You (and the Operating Principal and each other Principal Owner) will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which you cease to operate the Restaurant, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation: (1) divert or attempt to divert any business or customers of the Restaurant to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any restaurant business which is located at the Restaurant site and offers menu items similar to those offered at the Restaurant; or (3) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located (i) at the former site of the Restaurant, (ii) within a ten (10) mile radius of the former site of the Restaurant or any other then-existing The Budlong Hot Chicken Restaurant, (iii) within the Protected Territory, or (iv) within a ten (10) mile radius of the Protected Territory; provided, however, that this Section 13(D) will not apply to: (i) other The Budlong Hot Chicken Restaurants that you operate under separate The Budlong Hot Chicken franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

E. Competing Business. “Competing Business” means any business similar to a The Budlong Hot Chicken Restaurant, including any restaurant that offers fried chicken and sandwiches, other items similar to the Products, or any other business that may be confusingly similar to a The Budlong Hot Chicken Restaurant.

F. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

14. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement. You acknowledge and agree that, following the effective date of any such assignment, you will look solely to the transferee or assignee, and not to us, for the performance of all obligations under this Agreement. Separately, we may assign or delegate to an affiliate or other third party certain of our obligations under this Agreement without assigning our interest in this Agreement. In such instance, we will remain the party ultimately responsible for the performance of such obligation(s).

B. Assignment to Wholly-Owned Entity. You (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Restaurant (or other The Budlong Hot Chicken Restaurants under franchise agreements with us), provided: (1) the Restaurant is actively managed by you or an operating manager approved by us; (2) you own one hundred percent (100%) of the ownership interest in the corporation or limited liability company; (3) you and all Principal Owners of the assignee entity sign the Guaranty attached hereto as Exhibit D; (4) you provide us 15 days’ written notice before the proposed date of assignment of this Agreement to the corporation or limited

liability company; and (5) you provide us a certified copy of the articles of incorporation, operation agreement, organizational documents, a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity

C. Your Assignment or Sale of Substantially all of Your Assets. You understand that we have granted the Franchise under this Agreement in reliance upon the individual or collective character, aptitude, attitude, business ability and financial capacity of your Principal Owners. You (and your Principal Owners) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, the Restaurant, substantially all or all of the assets of the Restaurant, this Agreement or any controlling interest in you (“controlling interest” to include a proposed transfer of twenty five percent (25%) or more of the common (voting) stock in a corporation or of the ownership interest in a limited liability company or partnership) unless you obtain our prior written consent. We will not unreasonably withhold our consent to an assignment of this Agreement, provided you comply with all of the following conditions:

1. All of your accrued monetary obligations to us and our affiliates have been satisfied, and you otherwise are in good standing under this Agreement and any other agreement between you and us;
2. The transferee (or the Operating Principal of the transferee, if applicable) is approved by us and demonstrates to our satisfaction that they meet our managerial, financial and business standards for new The Budlong Hot Chicken Restaurants, possess a good business reputation and credit rating, and have the aptitude and ability to conduct the franchised business. You understand that we may communicate directly with the transferee during the transfer process to respond to inquiries, as well as to ensure that the transferee meets our qualifications;
3. The transferee enters into a written agreement, in form satisfactory to us, assuming and agreeing to discharge all of your obligations and covenants under this Agreement for the remainder of the term under this Agreement, or, at our option, signs our then-current standard form of franchise agreement;
4. The transferee, the new Operating Principal, and up to two (2) other key management personnel successfully complete the initial training program required of new The Budlong Hot Chicken franchisees;
5. If required, the lessor of the Restaurant premises consents to your assignment or sublease of the premises to the transferee;
6. You pay us a transfer fee equal to fifty percent (50%) of our then-current standard initial franchise fee applicable to new The Budlong Hot Chicken Restaurants (the “Transfer Fee”) prior to the transfer date;
7. You (and each Principal Owner, if applicable) sign a general release, in a form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;
8. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and

9. You (and each Principal Owners, if applicable) sign an agreement, in form satisfactory to us, in which you and each Principal Owner covenant to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

If the transfer involves less than a “controlling interest” in you (taking into account any prior changes of ownership or transfers), you are not required to obtain our prior written consent, provided you comply with any or all of the following conditions which we may deem necessary:

1. You provide us with thirty (30) days advance written notice of the transfer;
2. Any new Principal Owner signs a personal guaranty in the form we designate;
3. You pay us a transfer fee equal to \$2,500 prior to the transfer date; and
4. You provide us with such other information relating to the transfer as we request.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 14(C), and may do so in the Operations Manual or otherwise in writing.

D. Death or Disability. If the Operating Principal dies or is permanently disabled, the remaining Principal Owners must appoint (if necessary) a competent Operating Principal acceptable to us within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed Operating Principal must satisfactorily complete our designated training program. If an approved Operating Principal is not appointed within thirty (30) days after the Operating Principal’s death or permanent disability, we may, but are not required to, immediately appoint an Operating Principal to maintain Restaurant operations on your behalf until an approved assignee can assume the management and operation of the Restaurant. Our appointment of an Operating Principal does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses you incur in operating the Restaurant or to any creditor of yours for any Products, materials, supplies or services purchased by the Restaurant while it is managed by our appointed manager. We may charge a reasonable fee for management services and cease to provide management services at any time.

If the Operating Principal dies or is permanently disabled, his/her executor, administrator, or other personal representative must transfer his/her interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person we approve. Such transfers, including transfers by devise or inheritance, will be subject to conditions contained in Section 14(C) above.

E. Public or Private Offerings. Subject to Section 14(B) and 14(C) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any affiliate of you, you agree to submit any written information to us before your inclusion of that information in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature used in any offering must contain the following language in boldface type on the first textual page:

“NEITHER THE BUDLONG FRANCHISE NEVADA LLC NOR ANY OF ITS AFFILIATES: (A) IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED, (B) ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN, OR (C) ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

F. Our Right of First Refusal. If you or your Principal Owners at any time desire to sell or assign for consideration the Franchise, the Restaurant, an ownership interest of fifty percent (50%) or more ownership interest in you, or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Restaurant or ownership interest in you for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 14. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again will have the right of first refusal.

G. Guaranty. All of your Principal Owners will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit D (the “Guaranty Agreement”). We may also require the spouse of any Principal Owner to sign the Guaranty Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of yours under the provisions of this Section 14 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement.

15. TERMINATION RIGHTS

A. Your Termination of Franchise Agreement. You may terminate this Agreement if we violate any material obligation of ours to you and fail to cure such violation within sixty (60) days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time of giving such notice of termination. Your written notice will identify the violation and demand that it be cured.

B. Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following defaults:

1. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Restaurant;

2. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Restaurant without your consent, and the appointment is not vacated within sixty (60) days; or

3. If you purport to sell, transfer or otherwise dispose of you or any interest in this Agreement or the Restaurant, your business, or you in violation of Section 14 hereof.

C. Termination Upon Notice. We have the right to terminate this Agreement upon notice to you without providing you an opportunity to cure for any of the following breaches or defaults:

1. If you or the Operating Principal fail to satisfactorily complete the initial training program or fail to open and commence operations of the Restaurant at such time as provided in this Agreement;

2. If you or any of your managers, directors, officers or any Operating Principal make a material misrepresentation or omission in the application for the Restaurant or any time thereafter, including, without limitation understating Gross Sales in any report you submit to us by more than 2% in a particular month;

3. If you or any of your managers, directors, officers or any Operating Principal are convicted of, or plead guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or the goodwill associated therewith, or if we reasonably believe that you have committed such a felony, crime or offense;

4. If you voluntarily or otherwise abandon the Restaurant without our prior written consent. The term “abandon” means (i) failure to actively operate the Restaurant for more than three (3) business days without our prior written consent; or (ii) any other conduct on your part or your principals that we determine indicates a desire or intent to discontinue operating the Restaurant in accordance with this Agreement or the Operations Manuals;

5. If you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name The Budlong or any of the Marks or the System, or otherwise violate any provision hereof pertaining to Marks or Confidential Information or misuse the Marks or Confidential Information;

6. If you fail to pay us, our affiliate(s), or any approved or designated supplier any amount that is due and owed to that party, and fail to cure such breach within 10 days of the date you receive written notice from us (or any other party that is owed money) regarding such breach;

7. If there are insufficient funds in your designated bank account to cover a check or EFT payment to us 3 or more times within any 12 month period;

8. If you (or any Principal Owner) violate any in-term restrictive covenant set forth in Section 13 of this Agreement, or any of the other restrictive covenants set forth in this Agreement;

9. If you fail, within 15 days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Restaurant;

10. If you offer or sell any unauthorized or unapproved products or services at or from the Restaurant;

11. If you fail, within 10 days after notification your liquor license for the Restaurant is revoked or suspended, to have your liquor license reinstated or reactivated (if applicable to your Restaurant);

12. If you purchase any product, equipment, or supplies from an unapproved supplier, and fail to cure the default within 15 days of receiving notice from us by purchasing the product, equipment, or supplies from an approved supplier;

13. If you fail to obtain or maintain the minimum required insurance policies as described in Section 9(K) of this Agreement and our Operations Manual, and fail to cure the default within 5 days of receiving written notice from us; or

14. If you fail to comply with one or more material requirements of this Agreement on 3 or more separate occasions within any 12-month period, regardless of whether or not those breaches were cured; or

15. If the nature of your breach makes it not curable.

D. Termination upon Notice and 30 Days' Notice to Cure. Except for those defaults set forth in Sections 15(A) and 15(B) of this Agreement, or such longer period as applicable law may require, we may terminate this Agreement upon notice to you in the event you: (i) breach or violate any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including your failure to comply with any other term or condition of this Agreement, the Operations Manual, or any ancillary agreement between you and us (or our affiliate); and (ii) fail to cure such default(s) within 30 days after being provided with notice thereof.

E. Management of Restaurant While You are in Default. In addition to our termination rights described in Sections 15(B) and 15(C) above, while you are in default of this Agreement, we may, but are not required to, manage, or designate a third party to manage, the Restaurant on your behalf. Our, or our designee's, management of the Restaurant does not relieve you of your obligations and neither we nor our designee will be liable for any debts, losses, costs or expenses incurred in operating the Restaurant or to any of your creditors for any materials supplies or services purchased by the Restaurant while we, or our designee, manage it. We, or our designee, may charge you a fee for management services and may cease providing management services at any time.

F. Applicable Law. If the provisions of this Section 15 are inconsistent with applicable law, the applicable law will apply.

16. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason, you will:

1. immediately cease operation of the Restaurant and using the Marks as well as any confusingly similar trademarks or service marks;

2. within ten (10) days after termination, pay all amounts due and owing to us or our affiliates, including all Royalty Fees, Brand Development Fees and accrued interest due under this Agreement;

3. discontinue using, and return to us by priority United States mail with a tracking number, any hard copies of, the Operations Manual and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;
4. assign to us or, at our discretion, disconnect the telephone number for the Restaurant. You acknowledge that we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and you authorize us, and appoint us as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to us;
5. remove from the Restaurant premises all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a The Budlong Hot Chicken Restaurant or bear the name “The Budlong Hot Chicken” or other Marks;
6. comply with all post-termination obligations under any software license agreement, including the return of all materials relating to the Proprietary Software;
7. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks;
8. immediately cease using Confidential Information (including all Customer Data) and return to us all documents in your possession that contain Confidential Information;
9. at our option, we will purchase your inventory of Products in good and saleable condition at your actual cost less a 30% stocking fee and you will return to us any other remaining Products at no cost to us; and
10. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination or expiration of this Franchise Agreement for any reason, your right to use the name “The Budlong Hot Chicken” and the other Marks and the System will immediately terminate, and you (and the Principal Owners) will not in any way associate yourself/themselves as being associated with us. If you fail to immediately remove all signs and other materials bearing the Marks, we may do so at your expense.

B. Redecoration. If this Agreement expires or is terminated for any reason, and you either remain in possession of the premises of the former Restaurant to operate a separate business not in violation of Section 13 above or enter into an agreement with a third party to allow such third party to directly operate a business at the premises of the former Restaurant, you will, at your expense, modify both the exterior and interior appearance of the business premises so that they will be easily distinguished from the standard appearance of The Budlong Hot Chicken Restaurants. At a minimum, such changes and modifications to the premises will include: (1) repainting the premises with totally different colors; (2) removing all signs and other materials bearing the name “The Budlong Hot Chicken” and other Marks; (3) removing from the premises all fixtures which are indicative of The Budlong Hot Chicken Restaurants; (4) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; (5) discontinuing use of all packaging and Confidential Information regarding the operation of the Restaurant; and (6) taking such other action, at your expense, as we may reasonably require. If you fail to immediately initiate modifications to the premises of the former Restaurant or complete such modifications with any period of time we deem appropriate, you agree that we or our designated agents may enter the premises of the former Restaurant to make such modifications, at your risk and expense, without responsibility for any actual or consequential damages to your property or others, and without liability for trespass or other tort or criminal act.

C. Our Option to Purchase Restaurant. If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all the tangible and intangible assets relating to the Restaurant, including the Restaurant premises if you own the Restaurant premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Restaurant premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Restaurant. If the Landlord is an affiliate of you (controlling, controlled by or under common control with you) we will have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Restaurant location. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

The purchase price for the Restaurant will be the fair market value of the Purchased Assets; provided that: (1) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) we may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks, the Proprietary Software and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, we will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between you and us. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed sixty (60) days, after the fair market value is determined. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Restaurant without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Restaurant, we may, pending the closing, appoint a manager to maintain Restaurant operations.

If we assume the lease for the Restaurant under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interest and will pay in full all amounts due the lessor under the lease existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume the lease.

D. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Restaurant and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Restaurant under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. Your Indemnification Obligations. You agree to indemnify and hold us and our subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against,

and to reimburse us or them for, any loss, liability or damages arising out of or relating to your ownership or operation of the Restaurant, the relationship between the parties or your breach of this Agreement, and all reasonable costs of defending any claim brought against us or any of them or any action in which us or any of them is named as a party (including claims raised by you), including reasonable 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, unless the loss, liability, damage or cost is solely due to our breach of this Agreement, gross negligence or willful misconduct. You must pay all losses, liability or damages we incur pursuant to your obligations of indemnity under this Section 17(B) regardless of any settlement, actions or defense we undertake or the subsequent success or failure of any settlement, actions or defense. Further, you agree to give us immediate notice of any such action, proceeding, demand or investigation brought against you or the Restaurant. We may, at our option, designate counsel, at your expense, to defend or settle such action, proceeding, demand or investigation brought against you or the Restaurant. This obligation does not diminish your indemnification obligations under this Section 17(B).

C. Our Indemnification Obligations. We agree to indemnify and hold you and your officers, directors and agents harmless against, and to reimburse you and them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct, and all reasonable costs of defending any claim brought against you or them or any action in which you or they are named as a party (including reasonable attorneys' fees).

D. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

18. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 18, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between you and us, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, in the county where our principal business office is located. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim, controversy or dispute to the appropriate court as described in Section 18(B) below. We may bring an action under the applicable provisions of this Section 18 without first submitting the action to mediation under this Section 18(A): (1) for injunctive relief, (2) involving the possession or disposition of, or other relief relating to, real property; or (3) for monies you owe us.

B. Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 18(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 18(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our principal business office is located. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the

American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other The Budlong Hot Chicken franchisee or include any class action claims. This Section 18 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement.

C. Injunctive Relief. Notwithstanding Sections 18(A) and (B) above, you recognize that a single franchisee's failure to comply with the terms of its franchise agreement could cause irreparable damage to us and/or to some or all other The Budlong Hot Chicken franchisees. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief until such time as a final and binding determination is made by the arbitrators.

D. Governing Law. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the procedural and substantive laws of the state of Nevada without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Franchised Business is located.

E. Attorneys' Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

F. Claims. No party may not assert any claim or cause of action against the other party or parties relating to this Agreement or the Restaurant after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement.

G. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought exclusively in the state or federal judicial district courts in which our principal business office is located. We also have the right to file any such suit against you in the federal or state court of Nevada. Each of us and you irrevocably consents to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue. The provisions of this Section 18(G) will survive the termination of this Agreement.

19. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any

specification, standard or operating procedure prescribed by us are invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Nonwaiver. Our failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Any delay or omission by us respecting any breach or default will not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Our election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

C. Rights of Parties are Cumulative. The rights of you and us are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

D. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

E. References. If you consist of two or more individuals, such individuals will be jointly and severally liable, and references to you in this Agreement will include all such individuals.

F. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "reasonable business judgment" in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

G. WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY US.

H. **WAIVER OF JURY TRIAL.** YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

I. **Force Majeure.** If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

J. **Notice of Potential Profit.** We advise you that we and/or our affiliates periodically may make available to you goods, Products and/or services for use in the Restaurant on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, Products or services to you or in consideration for services provided or rights license to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

K. **Entire Agreement.** The “Introduction” section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

20. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement are deemed so delivered at the time delivered by hand, one (1) business day after sent by a recognized overnight delivery service which requires a written receipt, or three (3) business days after placed in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party.

21. ACKNOWLEDGEMENTS

A. **Success of Franchised Business.** The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal Owner’s) ability as an independent businessman, and your active participation in the daily affairs of the Restaurant as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. **Independent Investigation.** You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this Franchise and sign this Agreement.

C. **Receipt of Documents.** Except for filling in the blank provisions and changes made as a result of negotiations that you initiated, you acknowledge that you received a copy of the complete Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days before the date on which this Agreement was executed. You further acknowledge that you received the disclosure document required

by the trade regulation rule of the Federal Trade Commission entitled “Franchise Disclosure Document” at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that other The Budlong Hot Chicken Restaurants have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

WE:

YOU:

**THE BUDLONG FRANCHISE NEVADA
LLC**

Name of corporation or limited liability company

By _____
Name: _____
Its _____

By _____
Name: _____
Its _____

**EXHIBIT A
TO FRANCHISE AGREEMENT**

RESTAURANT LOCATION AND PROTECTED TERRITORY

This Exhibit is attached to and is an integral part of The Budlong Hot Chicken Franchise Agreement dated _____, 20____ (the "Franchise Agreement"), between you and us.

1. Restaurant's Authorized Location. We and you agree that the Restaurant will be located at the following premises: _____.
You acknowledge that our consent to a proposed location is not a representation or warranty of any kind by us or our affiliates as to the suitability of the proposed location for a The Budlong Hot Chicken Restaurant.

2. Protected Territory. The Protected Territory will be the following: _____
_____.

3. Restaurant Opening. You agree to complete the development and open the Restaurant for business within twelve (12) months after the date first stated above, or in accordance with the development obligations as described in the Area Development Agreement, if applicable.

4. Defined Terms. All capitalized terms contained in this Exhibit not defined herein will have the same meaning as provided in the Franchise Agreement.

WE:

**THE BUDLONG FRANCHISE NEVADA
LLC**

By _____
Name: _____
Its _____

YOU:

Name of corporation or limited liability company

By _____
Name: _____
Its _____

**EXHIBIT B
TO FRANCHISE AGREEMENT**

RESTAURANT LOCATION GENERAL AREA

This Exhibit is attached to and is an integral part of The Budlong Hot Chicken Franchise Agreement dated _____, 20____ (the "Franchise Agreement"), between you and us.

1. Site Selection Area for Restaurant Location. Within three (3) months after the date of the Franchise Agreement, you will select and obtain our consent to a location with the provisions of this Exhibit within the following described geographical area (the "Site Selection Area"): _____

2. Consent to Location and Restaurant Opening. To obtain our consent to the proposed Restaurant premises, you must deliver to us a complete site report (containing information we require) for the location at which you propose to establish and operate the Restaurant and which you reasonably believe will satisfy the standardized site selection criteria we have established. The proposed location is subject to our prior written consent, which will not be unreasonably withheld. In evaluating the proposed location, we may consider matters we deem material, including demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses, including other The Budlong Hot Chicken Restaurants, and other commercial characteristics, the purchase price or rental obligations and other lease terms for the proposed location, and the size of premises, appearance and other physical characteristics. Within thirty (30) days following our receipt of the complete site report and other materials we request, we will consent to or reject (in writing) the location you propose for the Restaurant.

YOU ACKNOWLEDGE AND AGREE THAT OUR CONSENT TO A PROPOSED LOCATION DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED LOCATION FOR A THE BUDLONG HOT CHICKEN RESTAURANT.

You agree to complete the development and open the Restaurant for business no later than nine (9) months following the date we consent to the location for your Restaurant.

3. Termination of Franchise Agreement. We have the right to terminate the Franchise Agreement, effective upon delivery of notice of termination to you, if you fail to obtain our consent to a location for the Restaurant and open the Restaurant within twelve (12) months after the date of the Franchise Agreement.

4. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

WE:

**THE BUDLONG FRANCHISE NEVADA
LLC**

By _____
Name: _____
Its _____

YOU:

Name of corporation or limited liability company

By _____
Name: _____
Its _____

EXHIBIT C
TO FRANCHISE AGREEMENT
RESTAURANT LEASE ADDENDUM

LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____ (“Landlord”) and _____ (“Tenant”).

Landlord and Tenant are parties to that certain Lease of even date (the “Lease”) covering the premises located at _____ (the “Leased Premises”), which Tenant will use to operate a The Budlong Hot Chicken Restaurant under a Franchise Agreement (the “Franchise Agreement”) between Tenant and THE BUDLONG FRANCHISE NEVADA LLC (“Franchisor”). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Leased Premises only for a The Budlong Hot Chicken Restaurant and Tenant may offer for sale and sell at the Leased Premises only those products and services which Franchisor approves. Landlord further agrees that so long as the Lease is in effect, it will not permit any tenant within the same multi-tenant mall or building to operate any business similar to The Budlong Hot Chicken Restaurant that distributes, sells or otherwise deals in, at wholesale or retail, upscale tavern food or other items similar to the products offered by Tenant, or any other business that may be confusingly similar to a The Budlong Hot Chicken Restaurant, other than businesses in existence in the mall or building as of the effective date of the Lease or upon the written consent of Franchisor and Tenant.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 8 below, a minimum thirty (30) day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the thirty (30) day notice period described in Section 2 above, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant’s rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor’s written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three (3) months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Right of Entry and Subordination. Landlord will give Franchisor access to the Leased Premises at reasonable times on not less than twenty-four (24) hours’ notice (or such shorter notice as may

be reasonable when circumstances dictate) either to inspect the Leased Premises for compliance with Franchisor's requirements, to remove from the Leased Premises any items bearing Franchisor's marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor's rights as licensor of the marks or logos displayed on items.

7. Vacating Premises. Upon vacating the Leased Premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of Franchisor's marks or logos.

8. Notices. Any notices to Franchisor hereunder will be sent to:

THE BUDLONG FRANCHISE NEVADA LLC
755 Schneider Dr
South Elgin, IL 60177

9. Benefit. Landlord and Tenant acknowledge that they enter into this Addendum for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

10. Supremacy. This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Addendum the day and year first above written.

LANDLORD:

TENANT:

By _____
Name: _____
Its _____

By _____
Name: _____
Its _____

**EXHIBIT D
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of the execution of that certain Franchise Agreement of even date (the "Agreement") by The Budlong Franchise Nevada LLC ("we" or "us"), each of the undersigned (a "Guarantor") personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement that _____ ("you") will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he may have to require that an action be brought against you or any other person as a condition of liability.

Each Guarantor consents and agrees that:

- (1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and the other Guarantors of you;
- (2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon demand if you fail to do so;
- (3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of you or any assignee or successor;
- (4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;
- (5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and
- (6) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses we incur in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN YOU

**EXHIBIT E
TO THE FRANCHISE AGREEMENT**

**FORM CONFIDENTIALITY AGREEMENT
(Managers and Certain Employees)**

In consideration of my being a _____ [Title] _____ of _____ [Franchisee] _____ (“**Franchisee**”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”), Franchisee has acquired the right and franchise from The Budlong Franchise Nevada LLC (the “**Company**”) to establish and operate a The Budlong Hot Chicken franchised business (the “**Franchised Business**”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “**Marks**”), as they may be changed, improved, and further developed from time to time in the Company’s sole discretion, only at the authorized and accepted location(s) set forth in the Franchise Agreement.

2. The Company, as the result of the expenditure of time, skill, effort, and resources, has developed and owns a distinctive format and system (the “**System**”) relating to the establishment and operation of the Franchised Business that offers products and services authorized to be offered, sold, or provided under the Marks and the System pursuant to the Franchise Agreement. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, software, procedures, methods of business practices and management, sales and promotional techniques, and knowledge of, and experience in, the operation of the Franchised Business (the “**Confidential Information**”).

3. Any and all information, knowledge, know-how, and techniques which the Company or Franchisee specifically designates as confidential shall also be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ [Title] _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s confidential manual, and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ [Title] _____ of the Franchisee. I will not to directly or indirectly use or disclose any Confidential Information for the benefit of anyone other than the Franchisee or Company either during my course of employment with the Franchisee or after my employment with the Franchisee ends, regardless of the reason for the separation of employment. I recognize and agree that the Confidential Information constitutes a valuable asset of the Company, and I will act in such a manner as to prevent its disclosure and use by any person unless such use is for the benefit of the Franchisee. I understand that my obligations under this paragraph are unconditional and will not be excused by any conduct on the

part of the Franchisee or Company, except prior voluntary public disclosure by the Company of the information.

7. The Company is a third-party beneficiary of this Agreement and may enforce it solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement.

8. This Agreement shall be construed under the laws of the state of [State], without regard to the application of its conflict of law rules. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT C
AREA DEVELOPMENT AGREEMENT



**THE BUDLONG™ HOT CHICKEN
AREA DEVELOPMENT AGREEMENT**

YOU (DEVELOPER)

DATE OF AGREEMENT

The Budlong Franchise Nevada LLC
2023 Area Development Agreement

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (“Agreement”) is entered into on _____ (the “Effective Date”) by and between: (i) The Budlong Franchise Nevada LLC, a Nevada limited liability company with a business address at 755 Schneider Dr, South Elgin, Illinois 60177 (the “Franchisor”, “we”, or “us”); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Developer” or “you”).

INTRODUCTION

A. We and our affiliates have developed and own a distinctive format and system relating to the development and operation of restaurants featuring specialty spicy fried chicken and sandwiches, sides, desserts and other related food and beverage items (each, a “The Budlong Hot Chicken Restaurant”), all of which are prepared, stored and served in accordance with our method of doing business, which includes the sale of approved products and services using certain distinctive types of décor, products, equipment, supplies, confidential information, business techniques, methods and procedures, sales promotion programs, and the Marks (defined below), as we periodically may modify and further improve (the “System”).

B. The parties agree and acknowledge that we may change, improve, further develop, or otherwise modify the System from time to time as we deem appropriate in our discretion. Developer hereby acknowledges and agrees that: (i) the System and our related materials contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals are proprietary and confidential.

C. The System and The Budlong Hot Chicken Restaurants are identified by the “The Budlong™” and “Budlong™” service marks, the related design logo, and other trademarks, service marks, domain names, logos, slogans, and commercial symbols that we have designated, or may in the future designate, for use in the System (collectively, the “Marks”). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Marks, expertise, and System.

D. We grant qualified third parties the right to develop a certain number of The Budlong Hot Chicken Restaurants within a defined development area (the “Development Area”) in accordance with the terms of this Agreement to which Developer must strictly adhere, with each The Budlong Hot Chicken Restaurant within the Development Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in our separate and then-current form of franchise agreement (each, a “Franchise Agreement”).

E. You recognize the benefits from receiving the right to operate a The Budlong Hot Chicken Restaurant utilizing the System and desires to: (i) become a multi-unit operator subject to the terms of this Agreement; and (ii) receive the benefits provided by us under this Agreement.

F. You have applied for the right to open and operate a certain number of The Budlong Hot Chicken Restaurants within the Development Area as set forth in this Agreement (each, a “Restaurant”), and we have approved such application in reliance on Developer’s representations made therein.

G. You hereby acknowledge that adherence to the terms of this Agreement, including Franchisor’s operations manual and other System standards and specifications, are essential to the operation of all The Budlong Hot Chicken Restaurants and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. DEVELOPMENT AREA; DEVELOPMENT SCHEDULE; AND RESERVATION OF RIGHTS.

A. Subject to the terms and conditions set forth herein, we grant you the right, and Developer undertakes the obligation, to develop and establish the number of Restaurants set forth in the Data Sheet attached hereto as Exhibit A (the “Data Sheet”) within the development area set forth on the Data Sheet (“Development Area”), provided you open and commence operations of such Restaurants in strict accordance with the mandatory development schedule also set forth in the Data Sheet (the “Development Schedule”), and otherwise subject to the terms and conditions set forth herein.

B. You also understand and agree that the Development Area does not include, and we reserve all franchise and development rights respecting any regional, enclosed or similarly situated shopping centers or malls, airports or other transportation terminals, travel stations, toll roads, train stations, ships, ports, piers, sports facilities, stadiums, college and university campuses, schools, institutional settings, corporate campuses, a department within an existing retail store, big box retailers, hotels and motels, grocery stores, office or in-plant food service facilities, supermarkets and convenience stores warehouse club stores, amusement parks, and all properties controlled by the amusement park, casinos, theatres, building supply stores, hospitals, military and other governmental facilities, and any site for which the lessor, owner or operator shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider or other similar types of locations that have a restricted trade area (“Non-Traditional Venues”) located within the geographic boundaries of the Development Area.

C. If you are in compliance with your obligations under this Agreement and all of the Franchise Agreements between you (including any affiliate of yours) and us, then we shall not establish, nor license anyone other than you to establish, a Restaurant in the Development Area until the earlier of (a) the termination or expiration of this Agreement, (b) the opening of the last required Restaurant under the Development Schedule, or (c) the last date specified in the Development Schedule, except as otherwise provided under Sections 1(D) below.

D. Notwithstanding Section 1(C) of this Agreement, we (for ourselves and our affiliates) retain the right to:

1. Directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken Restaurants at locations outside the Development Area;

2. Directly operate, or to grant other persons the right to operate, The Budlong Hot Chicken Restaurants at Non-Traditional Venues within and outside the Development Area;

3. Promote, sell and distribute anywhere, including through restaurants and other establishments, products and services authorized for sale at The Budlong Hot Chicken Restaurants under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;

4. Promote, sell, distribute and license products and services authorized for sale at The Budlong Hot Chicken Restaurants as well as ancillary products and services such as its sauces

and other food products, beverages, clothing, glassware and memorabilia under the Marks through dissimilar channels of distribution (*i.e.*, other than the operation of full-service The Budlong Hot Chicken Restaurants), including direct mail, wholesale activities, grocery stores, convenience stores, retail stores, and by electronic means such as the Internet, and other permanent, temporary, or seasonal food service facilities, carts, kiosks, or other mobile food vehicles, such as food trucks, and pursuant to conditions we deem appropriate within and outside the Development Area;

5. Acquire businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken Restaurants and operate such businesses regardless of whether such businesses are located within or outside the Development Area, and to be acquired by any third party which operates businesses that are the same as or similar to the Restaurant or other The Budlong Hot Chicken Restaurants regardless of whether such businesses are located within or outside the Development Area; and

6. Promote the System and the Restaurants generally, including on the Internet (or any other existing or future form of one or more electronic commerce) and to create, operate, maintain and modify, or discontinue the use of websites using the Marks; and

7. All other rights not explicitly granted to you under this Agreement.

E. Each person or entity who directly or indirectly owns a ten percent (10%) or greater interest in you (each, a “Principal Owner”) will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit B (the “Guaranty Agreement”). We may also require the spouse of any Principal Owner to sign the Guaranty Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of yours under the provisions of this Section 7 of this Agreement or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement.

2. DEVELOPMENT FEE; INITIAL FRANCHISE FEES.

A. In consideration of the development rights granted herein, you shall pay the development fee set forth in the Data Sheet (the “Development Fee”) to us upon execution of this Agreement. The Development Fee is fully earned when paid. You shall not be entitled to any refund of any portion of the Development Fee under any circumstances, including your failure to open Restaurants in the Development Area according to the Development Schedule. The Development Fee shall be an amount equal to \$10,000 multiplied by the number of Restaurants that you are required to develop in the Development Area in addition to your first Restaurant. For example, if you agree to develop three Restaurants, then your Development Fee would equal \$20,000. You shall pay us the Development Fee in full upon execution of this Agreement.

B. You shall also pay us the initial franchise fee set forth in our then-current form of Franchise Agreement (the “Initial Franchise Fee”) for each Restaurant to be developed under the Development Schedule, payable upon execution of the Franchise Agreement for each Restaurant in accordance with the Development Schedule. You shall receive a credit of \$10,000 against the payment of the Initial Franchise Fee due for each Restaurant developed according to the Development Schedule, except for the first Restaurant to be opened in the Development Area.

3. INITIAL FRANCHISE AGREEMENT.

Contemporaneous with the execution of this Agreement, you must enter into our then-current form of Franchise Agreement for the first Restaurant that you are required to open within the Development Area. In the event you are a business entity of any kind, then your principals/owners must each execute the form

of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. ADDITIONAL FRANCHISE AGREEMENTS.

You agree and acknowledge that you must enter into our then-current form of Franchise Agreement for each subsequent Restaurant that you are required to open under this Agreement. During each of the development periods defined in the Development Schedule (each, a “Development Period”), you are required to enter into our then-current form of Franchise Agreement by no later than the earlier of: (i) 14 days of when we accept a proposed site for a Restaurant, or (ii) 180 days before the expiration of the applicable Development Period. Failure to timely execute a Franchise Agreement during any Development Period constitutes a breach of the Development Schedule.

5. DEVELOPMENT OBLIGATIONS.

You must ensure that, at a minimum, you: (i) execute our then-current form of Franchise Agreement during each Development Period pursuant to and in accordance with Section 4 of this Agreement, and at such time to allow you to stay in compliance with the Development Schedule; (ii) open and commence operations of the number of new Restaurants during each Development Period; and (iii) have the minimum cumulative number of Restaurants open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that your failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured as set forth in Section 6(B) of this Agreement (and any future development rights granted hereunder). Additionally, if you fail to comply with the Development Schedule, or otherwise materially default under this Agreement, then we may (in addition to our other remedies available to us under this Agreement, the Franchise Agreement(s), and applicable law) terminate or modify your territorial rights in or to the Development Area, reduce or modify the Development Area, or reduce the number of Restaurants that you shall develop under this Agreement.

6. TERM AND TERMINATION.

A. This Agreement will commence as of the date it is fully executed and, unless earlier terminated by us, will expire on the earlier of: (i) the expiration date of the last Development Period that the final Restaurant is required to be opened and operating under the Development Schedule; or (ii) the date you actually open the last Restaurant that you are granted the right to open under this Agreement. Upon expiration or termination of this Agreement for any reason, you will not have any territorial rights other than those that might be granted in connection with a “Protected Territory” associated with a Restaurant that you have opened and commenced operating as of the date this Agreement is terminated or expires (if and as such rights are granted by us under the respective Franchise Agreement(s) that you entered into for such Restaurant(es)).

B. We will have the right, at our option, to terminate this Agreement and all rights granted to you hereunder, without affording you any opportunity to cure such default, effective upon written notice to you, upon the occurrence of any of the following events: (i) if you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an objective intent by you to discontinue development of the Restaurants within the Development Area; (ii) if you become insolvent or is adjudicated bankrupt, or if any action is taken by you, or by others against the you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by the you; (iii) if you purport to sell, transfer or otherwise dispose of your franchise entity or any interest in

this Agreement or the Restaurant, your business, or you in violation of Section 7 hereof; (iv) if you fail to meet your development obligations under the Development Schedule for any single Development Period, and fail to cure such default within 30 days of receiving notice thereof ; and (v) if any Franchise Agreement that is entered into in order to fulfill your development obligations under this Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.

7. SALE OR ASSIGNMENT.

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement. You acknowledge and agree that, following the effective date of any such assignment, you will look solely to the transferee or assignee, and not to us, for the performance of all obligations under this Agreement. Separately, we may assign or delegate to an affiliate or other third party certain of our obligations under this Agreement without assigning our interest in this Agreement. In such instance, we will remain the party ultimately responsible for the performance of such obligation(s).

B. Assignment to Wholly-Owned Entity. You (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Restaurant (or other The Budlong Hot Chicken Restaurants under franchise agreements with us), provided: (1) the Restaurant is actively managed by you or an operating manager approved by us; (2) you own one hundred percent (100%) of the ownership interest in the corporation or limited liability company; (3) you and all Principal Owners of the assignee entity sign the Guaranty attached hereto as Exhibit B; (4) you provide us 15 days' written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; and (5) you provide us a certified copy of the articles of incorporation, operation agreement, organizational documents, a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity

C. Your Assignment or Sale of Substantially All of Your Assets. You understand that we have granted you the rights under this Agreement in reliance upon the individual or collective character, aptitude, attitude, business ability and financial capacity of your Principal Owners. You (and your Principal Owners) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, substantially all or all of the assets of the business, this Agreement, or any controlling interest in you ("controlling interest" to include a proposed transfer of twenty five percent (25%) or more of the common (voting) stock in a corporation or of the ownership interest in a limited liability company or partnership) unless you obtain our prior written consent. We will not unreasonably withhold our consent to an assignment of this Agreement, provided you comply with all of the following conditions:

1. All of your accrued monetary obligations to us and our affiliates have been satisfied, and you otherwise are in good standing under this Agreement and any other agreement between you and us;

2. The transferee is approved by us and demonstrates to our satisfaction that they meet our managerial, financial and business standards for new The Budlong Hot Chicken Restaurants, possess a good business reputation and credit rating, and have the aptitude and ability to conduct the franchised business. You understand that we may communicate directly with the transferee during the transfer process to respond to inquiries, as well as to ensure that the transferee meets our qualifications;

3. The transferee enters into a written agreement, in form satisfactory to us, assuming and agreeing to discharge all of your obligations and covenants under this Agreement for the

remainder of the term under this Agreement, or, at our option, signs our then-current standard form of area development agreement;

4. You (and each Principal Owner, if applicable) sign a general release, in a form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

5. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and

6. You (and each Principal Owners, if applicable) sign an agreement, in form satisfactory to us, in which you and each Principal Owner covenant to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

D. Less than a Controlling Interest. If the transfer involves less than a “controlling interest” in you (taking into account any prior changes of ownership or transfers), you are not required to obtain our prior written consent, provided you comply with any or all of the following conditions which we may deem necessary:

1. You provide us with thirty (30) days advance written notice of the transfer;
2. Any new Principal Owner signs a personal guaranty in the form we designate; and
3. You provide us with such other information relating to the transfer as we request.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in Sections 7(C) and 7(D), and may do so in the Operations Manual (as defined in the Franchise Agreement) or otherwise in writing.

E. Public or Private Offerings. Subject to Section 7(B)-(D) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any affiliate of you, you agree to submit any written information to us before your inclusion of that information in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature used in any offering must contain the following language in boldface type on the first textual page:

“NEITHER THE BUDLONG FRANCHISE NEVADA LLC NOR ANY OF ITS AFFILIATES: (A) IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED, (B) ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE

INFORMATION CONTAINED HEREIN, OR (C) ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

F. Our Right of First Refusal. If you or your Principal Owners at any time desire to sell or assign for consideration the business you operate under this Agreement, an ownership interest of fifty percent (50%) or more ownership interest in you, or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Restaurant or ownership interest in you for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 7. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again will have the right of first refusal.

8. NO RIGHT TO USE THE MARKS.

You acknowledge that this Agreement is not a Franchise Agreement and does not confer upon you any rights to use our Marks or System.

9. COVENANTS.

A. In-Term Covenant Not to Compete. You and each Principal Owner will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or directly competing business: (i) divert or attempt to divert any business or customers of the Restaurant(s) to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Competing Business (including any e-commerce or Internet-based business), except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us.

B. Post-Term Covenant Not to Compete. You and each Principal Owner will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which you cease to operate the Restaurant, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation: (1) divert or attempt to divert any business or customers of the Restaurant(s) to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any restaurant business which is located at the Restaurant site and offers menu items similar to those offered at the Restaurant(s); or (3) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located (i) at the former site of any Restaurant(s), (ii) within a ten (10) mile radius of the former site of any Restaurant or any other then-existing The Budlong Hot Chicken Restaurant, (iii) within the Development Area, or (iv) within a ten (10) mile radius of the Development Area; provided, however, that this Section 9(B) will not apply to: (i) other The Budlong Hot Chicken Restaurants that you operate under any effective The Budlong Hot

Chicken franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

C. Competing Business. “Competing Business” means any business similar to a The Budlong Hot Chicken Restaurant, including any restaurant that offers fried chicken and sandwiches, other items similar to the Products (as defined in the Franchise Agreement), or any other business that may be confusingly similar to a The Budlong Hot Chicken Restaurant.

D. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

10. NOTICES.

All written notices and reports permitted or required to be delivered by the provisions of this Agreement are deemed so delivered at the time delivered by hand, one (1) business day after sent by a recognized overnight delivery service which requires a written receipt, or three (3) business days after placed in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party.

11. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Restaurant and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Restaurant under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. Your Indemnification Obligations. You agree to indemnify and hold us and our subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse us or them for, any loss, liability or damages arising out of or relating this Agreement, the relationship between the parties or your breach of this Agreement, and all reasonable costs of defending any claim brought against us or any of them or any action in which us or any of them is named as a party (including claims raised by you), including reasonable 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, unless the loss, liability, damage or cost is solely due to our breach of this Agreement, gross negligence or willful misconduct. You must pay all losses, liability or damages we incur pursuant to your obligations of indemnity under this Section 11(B) regardless of any settlement, actions or defense we undertake or the subsequent success or failure of any settlement, actions or defense. Further, you agree to give us immediate notice of any such action, proceeding, demand or investigation brought against you or your operation of the business conducted under this Agreement. We may, at our option, designate counsel, at your expense, to defend or settle such action, proceeding, demand or investigation brought against you or the Restaurant. This obligation does not diminish your indemnification obligations under this Section 11(B).

C. Our Indemnification Obligations. We agree to indemnify and hold you and your officers, directors and agents harmless against, and to reimburse you and them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct, and all reasonable costs of defending any claim brought against you or them or any action in which you or they are named as a party (including reasonable attorneys' fees).

D. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

12. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 12, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between you and us, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, in the county where our principal business office is located. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim, controversy or dispute to the appropriate court as described in Section 12(B) below. We may bring an action under the applicable provisions of this Section 12 without first submitting the action to mediation under this Section 12(A): (i) for injunctive relief, (ii) involving the possession or disposition of, or other relief relating to, real property; or (iii) for monies you owe us.

B. Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 12(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 12(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our principal business office is located. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other The Budlong Hot Chicken franchisee or include any class action claims. This Section 12 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement.

C. Injunctive Relief. Notwithstanding Sections 12(A) and (B) above, you recognize that a single franchisee's failure to comply with the terms of its franchise agreement could cause irreparable damage to us and/or to some or all other The Budlong Hot Chicken franchisees. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief until such time as a final and binding determination is made by the arbitrators.

D. Governing Law. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the procedural and substantive laws of the state of Nevada without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Restaurant is located.

E. Attorneys' Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

F. Claims. No party may not assert any claim or cause of action against the other party or parties relating to this Agreement, the Restaurant, or your franchise after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement.

G. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought exclusively in the state or federal judicial district courts in which our principal business office is located. We also have the right to file any such suit against you in the federal or state court of Nevada. Each of us and you irrevocably consents to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue. The provisions of this Section 12(G) will survive the termination of this Agreement.

13. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us are invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Any delay or omission by us respecting any breach or default will not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Our election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

C. Rights of Parties are Cumulative. The rights of you and us are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

D. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

E. References. If you consist of two or more individuals, such individuals will be jointly and severally liable, and references to you in this Agreement will include all such individuals.

F. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

i. Our Rights. Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

ii. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "reasonable business judgment" in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

G. **WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY US.**

H. **WAIVER OF JURY TRIAL. YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

I. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

J. Entire Agreement. The "Introduction" section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this

Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

14. ACKNOWLEDGMENTS.

A. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal Owner's) ability as an independent businessman, and your active participation in the daily affairs of the Restaurant as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this franchise and sign this Agreement.

C. Receipt of Documents. Except for filling in the blank provisions and changes made as a result of negotiations that you initiated, you acknowledge that you received a copy of the complete Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days before the date on which this Agreement was executed. You further acknowledge that you received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled "Franchise Disclosure Document" at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that other The Budlong Hot Chicken Restaurants have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR:

DEVELOPER:

The Budlong Franchise Nevada LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **Total Number of Restaurants to be Developed in Development Area:** _____

2. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

3. **Development Fee:** Developer shall pay a Development Fee referred to in Section 2 of the Development Agreement equal to \$_____.

4. **Development Schedule.** The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

# of New Restaurants to be Opened Within Development Period	Cumulative # of Restaurants that Must Be Open and Operating at End of Development Period	Expiration Date of Development Period (each, a “Development Period”)
1	1	
1	2	
1	3	

APPROVED AND ACCEPTED BY:

FRANCHISOR:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

EXHIBIT B to DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of the execution of that certain Area Development Agreement of even date (the “Agreement”) by The Budlong Franchise Nevada LLC (“we” or “us”), each of the undersigned (a “Guarantor”) personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement that _____ (“you”) will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he may have to require that an action be brought against you or any other person as a condition of liability.

Each Guarantor consents and agrees that:

- (1) Guarantor’s liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and the other Guarantors of you;
- (2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon demand if you fail to do so;
- (3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of you or any assignee or successor;
- (4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;
- (5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and
- (6) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN YOU

EXHIBIT D**LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. 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 (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT E
GENERAL RELEASE FORM

FORM RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL
BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.
THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, The Budlong Franchise Nevada LLC (“we” or “us”), _____ (“you”) and _____ (“Guarantors”) enter into this Release of Claims (“Agreement”).

RECITALS

A. We and you entered into a The Budlong Hot Chicken Franchise Agreement dated _____, 20____ (the “Franchise Agreement”).

B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims.**

A. Definitions.

1. Franchisor Parties: We and each of our subsidiaries, corporate parents and affiliates, and their respective officers, directors, owners, stockholders, members, employees, insurers, attorneys, agents, successors, predecessors, assigns, heirs and personal representatives.

2. Franchisee Parties: You and each of the Guarantors and all persons or entities acting on their behalf or claiming under them including each of their respective past and present corporate parents, subsidiaries, affiliates, owners, heirs, executors, administrators, managers, directors, officers, employees, trustees, agents, partners, business entities, attorneys, insurers, successors and assigns.

B. The Franchisee Parties irrevocably and unconditionally waive, release and forever discharge, and covenant not to sue, the Franchisor Parties of and from any and all claims, suits, debts, liabilities, causes of action, demands, contracts, promises, obligations, losses, rights, controversies, damages, costs, expenses (including actual attorneys’ fees and costs incurred), actions and causes of action of every nature, whether known or unknown, direct or indirect, vested or contingent, at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence (collectively, “Claims”), that they may now have, or at any time heretofore had, or hereafter may have, against each or any of the Franchisor Parties arising out of or relating to any conduct, transaction, occurrence, act or omission at any time before the [Effective Date] relating to the Franchise Agreement(s), the development or operation of the Restaurant(s), the franchise relationship between the parties, the offer or sale of any franchise, or any agreement between any of the Franchisee Parties and any of the Franchisor Parties.

C. The Franchisee Parties specifically and expressly agree that the consideration accepted under this Agreement is accepted in full satisfaction of any and all injuries and/or damages that have previously arisen and which may hereafter arise respecting any of the claims being released.

D. The Franchisee Parties agree that they have had a reasonable opportunity to consult with an attorney prior to signing this release and they have executed this release voluntarily. Also, the Franchisee Parties represent that they have not assigned or transferred to anyone any claims released by them under Section 4(B) above.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

YOU:

WE:

**THE BUDLONG FRANCHISE
NEVADA LLC**

BY: _____

BY: _____

ITS: _____

ITS: _____

DATE: _____

DATE: _____

PERSONAL GUARANTORS:

EXHIBIT F
LIST OF FRANCHISEES

LIST OF CURRENT FRANCHISEES
as of December 31, 2022

None.

LIST OF FORMER FRANCHISEES
as of December 31, 2022

None.

EXHIBIT G
OPERATIONS MANUAL TABLE OF CONTENTS



Updated 01.15.2023

Table of Contents

Preface: Culture & Values Statement	2
Chapter 1: Finding & Leasing a Location	3
Chapter 2: Accounting & Insurance	15
Chapter 3: Preparing to Open	23
Chapter 4: Personnel & Training	29
Chapter 5: Products Offered & Purchasing	47
Chapter 6: Product Preparation	54
Chapter 7: Paperwork & Controls	72
Chapter 8: Cleaning & Maintenance	77
Chapter 9: Evaluations & Compliance	93
Chapter 10: Security & Safety	104
Chapter 11: Promoting & Marketing	114

EXHIBIT H
DISCLOSURE ACKNOWLEDGMENT QUESTIONNAIRE

**DISCLOSURE
ACKNOWLEDGMENT QUESTIONNAIRE**

As you know, The Budlong Franchise Nevada LLC (“we” or “Franchisor”) and you are entering into a Franchise Agreement for the operation of a The Budlong Hot Chicken franchised business (“Business”). The purpose of this Acknowledgment Agreement 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, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.*

1. Did you receive a copy of our franchise disclosure document (“FDD”) (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? Yes _____ No _____
2. Did you sign a receipt for the FDD indicating the date you received it? Yes _____ No _____
3. If we materially altered the provisions of the Franchise Agreement (except as a result of negotiations you initiated), did you receive a copy of the Franchise Agreement at least 7 calendar days before signing it? Yes _____ No _____
4. Have you personally reviewed our FDD, Franchise Agreement and related exhibits attached to them? Yes _____ No _____
5. Do you understand all of the information contained in the FDD, Franchise Agreement and related exhibits provided to you? Yes _____ No _____

If no, what parts of the disclosure document, Franchise Agreement and related exhibits do you not understand? (Attach additional pages, as needed.)

6. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including those with respect to the Business for any judicial proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations? Yes _____ No _____
7. Have you reviewed the FDD and Franchise Agreement with an attorney, accountant, or other professional advisor and discussed the benefits and risks of establishing and operating the Business with these professional advisors? Yes _____ No _____

If No, do you wish to have more time to do so? Yes _____ No _____

8. Do you understand that the success or failure of your Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors? Yes _____ No _____

9. Has anyone speaking on the Franchisor’s behalf made any statement or promise to you concerning the revenues, profits or operating costs of a The Budlong Hot Chicken business operated by the franchisor (or its affiliates) or its franchisees that is different from the information contained in the FDD?
Yes _____ No _____
10. Has anyone speaking on our behalf made any statement or promise to you about the amount of money you may earn in operating the Business that is different from the information contained in the FDD?
Yes _____ No _____
11. Has anyone speaking on our behalf made any statement or promise concerning the total amount of revenue your Business will or may generate that is different from the information contained in the FDD? Yes _____ No _____
12. Has anyone speaking on our behalf made any statement or promise regarding the costs you may incur in operating your Business that is different from the information contained in the FDD?
Yes _____ No _____
13. Has anyone speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating Business? Yes _____ No _____
14. Has anyone speaking on our behalf made any statement or promise, or made an agreement with you, concerning how much service and assistance the Franchisor will provide to you (for example, concerning advertising, marketing, training, and support) that is different from the information contained in the FDD? Yes _____ No _____
15. Have you entered into any binding agreement with us concerning the purchase of this franchise before today? Yes _____ No _____
16. Have you paid any money to us concerning the purchase of this franchise before today?
Yes _____ No _____
17. If you have answered “Yes” to any of questions 9-16, please provide a full explanation of each “yes” answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered “no” to each of questions 9-16, then please leave the following lines blank.

18. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions? Yes _____ No _____
19. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise rights for the Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? Yes _____ No _____

20. Do you acknowledge and represent to Franchisor that (a) you or the entity that you form to be a franchisee will be the employer of all of your employees and will have sole discretion and authority to hire, fire, discipline, compensate and schedule working hours for, all of your employees; and (b) us and our affiliates will have no control, or right to control, any of the employment actions or decisions in your business? *We recommend that you retain employment law counsel to advise you with your employment issues and questions.* Yes _____ No _____

21. Do you understand that:

- a. this franchise business may be impacted by other risks, including those outside your or our control such as local, national or global economic, political or social disruption, such as COVID-19? Yes _____ No _____
- b. that such disruptions, and any preventative, protective, or remedial actions that federal, state, and local governments may take in response to a disruption may result in a period of business disruption, reduced customer demand, and reduced operations for your The Budlong Hot Chicken business, and may require that we take actions that might not be contemplated under the Franchise Agreement? Yes _____ No _____
- c. the extent to which any such disruption impacts The Budlong Hot Chicken system, and your franchise business, will depend on future developments which are highly uncertain and which we cannot predict? Yes _____ No _____

If no, please comment: _____

22. I signed the Franchise Agreement and Addenda (if any) on _____, 20_____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

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

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

*Do not sign this Acknowledgment Addendum if you are a Maryland resident, or if the franchised business is to be located in Maryland.

EXHIBIT I
STATE ADDENDA

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Item 17, Additional Disclosures.

The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

For info about obtaining a liquor license in Illinois, see:

<https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>

For info about obtaining TIPS certification in Illinois, see:

<https://www.tipscertified.com/tips-state-pages/illinois/>

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

The following statements are added to Item 17(t):

Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

Disclosure Acknowledgment Questionnaire:

The representations under the Disclosure Acknowledgment Questionnaire are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

For info about obtaining a liquor license in Illinois, see:

<https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>

For info about obtaining TIPS certification in Illinois, see:

<https://www.tipscertified.com/tips-state-pages/illinois/>

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Agreement.

3. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Agreement. In the event of any conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall apply.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

ILLINOIS ADDENDUM TO
AREA DEVELOPMENT AGREEMENT

This Addendum amends the Area Development Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

For info about obtaining a liquor license in Illinois, see:

<https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>

For info about obtaining TIPS certification in Illinois, see:

<https://www.tipscertified.com/tips-state-pages/illinois/>

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Agreement.

3. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Agreement. In the event of any conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall apply.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 11:

You may obtain an accounting of advertising expenditures by the Marketing Fund by making a written request to us.

The following is added to Item 17:

Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. 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.

3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

6. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The parties have executed this Addendum on _____, 20_____.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

MARYLAND ADDENDUM TO
AREA DEVELOPMENT AGREEMENT

This Addendum amends the Area Development Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
2. 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.
3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. This Area Development Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
6. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The parties have executed this Addendum on _____, 20_____.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this

proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____, 20__ (the "Agreement"), between The Budlong Franchise Nevada LLC ("Franchisor") and _____, a _____ ("Franchisee").

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

This Addendum amends the Area Development Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Agreement. In the event of any conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Budlong Franchise Nevada LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following Risk Factor is added to the “Special Risks to Consider about This Franchise” page:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$178,000 to \$989,500. This amount exceeds the franchisor's stockholders equity as of April 3, 2023, which is \$100,000.

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The following statements are added to Item 17(t):

Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

The following is added to Item 17:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

This Addendum amends the Area Development Agreement dated _____, 20__ (the “Agreement”), between The Budlong Franchise Nevada LLC (“Franchisor”) and _____, a _____ (“Franchisee”).

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Agreement. In the event of any conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

The Budlong Franchise Nevada LLC

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT J

STATE EFFECTIVE DATES AND RECEIPT PAGES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Pending
Indiana	Pending
Maryland	See Separate FDD
Michigan	April 10, 2023, as amended July 21, 2023
New York	Pending
Virginia	Pending
Wisconsin	May 10, 2023, as amended _____, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If The Budlong Franchise Nevada LLC (“The Budlong Hot Chicken”) offers you a franchise, The Budlong Hot Chicken must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, The Budlong Hot Chicken or its affiliate in connection with the proposed franchise sale. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Budlong Hot Chicken 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 those state administrators listed on **Exhibit D**.

Issuance Date: April 7, 2023, as amended July 21, 2023

The franchisor is The Budlong Franchise Nevada LLC, located at 755 Schneider Dr, South Elgin, Illinois 60177. Its telephone number is (847) 608-8500.

The Budlong Hot Chicken franchise sellers involved in offering and selling the franchise are Rich Guckel, or are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____.

The Budlong Hot Chicken authorizes the respective state agencies identified on **Exhibit D** to receive service of process for The Budlong Franchise Nevada LLC in the particular state.

I have received a disclosure document with an issuance date of April 7, 2023, as amended July 21, 2023, that included the following Exhibits:

- A. Financial Statements
- B. Franchise Agreement (and Exhibits)
- C. Area Development Agreement
- D. List of State Administrators, Agents for Service of Process
- E. State Addenda
- F. General Release Form
- G. List of Franchisees
- H. Operations Manual Table of Contents
- I. Disclosure Acknowledgment Questionnaire
- J. State Effective Dates and Receipt Pages

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Copy for Franchisee

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 The Budlong Franchise Nevada LLC (“The Budlong Hot Chicken”) offers you a franchise, The Budlong Hot Chicken must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, The Budlong Hot Chicken or its affiliate in connection with the proposed franchise sale. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Budlong Hot Chicken 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 those state administrators listed on **Exhibit D**.

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Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Rich Guckel at 755 Schneider Dr, South Elgin, Illinois 60177 or franchising@craveworthybrands.com.

Copy for The Budlong Franchise Nevada LLC