

## FRANCHISE DISCLOSURE DOCUMENT



### BOSTON PIZZA RESTAURANTS, LP

a Delaware limited partnership  
14850 Quorum Drive, Suite 201

Dallas, Texas, 75254

Telephone: 972-484-9022

Facsimile: 972-484-7630

[www.bostons.com](http://www.bostons.com)

<https://www.facebook.com/BostonsPizzaUSA>

<https://www.instagram.com/bostonspizzausa>

<https://twitter.com/bostonspizzausa>

<https://www.youtube.com/BostonsPizzaUSA>

Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurants feature gourmet pizza and pasta dishes, and a wide variety of mouth-watering entrees, appetizers, fresh salads, sides and desserts (“Restaurant” or “Boston’s Restaurant”). We specialize in serving family and friends in a full-service casual dining restaurant, combined with an exciting sports bar featuring large flat screen TVs, drinks, and great food in a fun atmosphere. We offer franchises for single Boston’s Restaurants and for area development franchises for the right to open multiple Boston’s Restaurants.

The total investment necessary to begin operation of a single Restaurant ranges from \$987,500 to \$2,607,500. This includes \$85,000 that you must pay to the franchisor. Area developers acquire the right to develop multiple Restaurants in a designated development area. The total investment necessary to begin operation as an area developer with two Restaurants is between \$1,975,000 and \$5,215,000. This includes \$170,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation as an area developer with three Restaurants is between \$2,947,500 and \$7,824,000. This includes \$240,000 to \$256,500 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Administrator in our Franchise Department at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254 and 972-484-9022.

The terms of your contract will govern your franchise relationship. Do not 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Date of Issuance: April 30, 2021**

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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 or litigation only in Texas. 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 or litigate with the franchisor in Texas than in your own state.
2. **Non-Exclusive Territory.** The territory is not exclusive. You may face competition from other franchisees, from franchisor-owned outlets or from other channels of distribution or competitive brands franchisor controls.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) a prohibition 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.**

Any questions concerning this notice should be directed to the Michigan Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**TABLE OF CONTENTS**

<b><u>ITEM</u></b>	<b><u>PAGE</u></b>
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	1
ITEM 2 BUSINESS EXPERIENCE.....	5
ITEM 3 LITIGATION .....	6
ITEM 4 BANKRUPTCY .....	6
ITEM 5 INITIAL FEES .....	6
ITEM 6 OTHER FEES .....	8
ITEM 7 ESTIMATED INITIAL INVESTMENT .....	12
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	16
ITEM 9 FRANCHISEE’S OBLIGATIONS .....	19
ITEM 10 FINANCING.....	21
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	21
ITEM 12 TERRITORY .....	28
ITEM 13 TRADEMARKS .....	31
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....	34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	35
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	36
ITEM 18 PUBLIC FIGURES.....	40
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....	40
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....	45
ITEM 21 FINANCIAL STATEMENTS .....	49
ITEM 22 CONTRACTS .....	49
ITEM 23 RECEIPTS .....	49
Exhibit A	Franchise Agreement
Exhibit B	Development Agreement
Exhibit C	Financial Statements
Exhibit D	List of Current and Former Franchisees and Area Developers
Exhibit E	State Administrators & Agents For Service of Process
Exhibit F	Operations Manual Table of Contents
Exhibit G	State Specific Addenda and Agreement Rider
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	Contracts for Use with the Boston’s Franchise
Exhibit J	State Effective Dates
Exhibit K	Receipts



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

To simplify the language in this Disclosure Document, “Boston’s,” “we,” “us” and “our” means Boston Pizza Restaurants, LP, the franchisor. “You,” “your” and “Franchisee” means the person to whom the franchise is granted. If you are a business entity, the provisions of the Franchise Agreement and the Development Agreement also apply to your owners by virtue of the requirement that some or all your owners personally guarantee your obligations under, and agree to be personally bound by, these agreements.

**The Franchisor, and Any Parents, Predecessors, and Affiliates**

Boston’s is a Delaware limited partnership formed on December 21, 2001 with its principal place of business at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254. We do business only under the names “Boston Pizza Restaurants, LP” and “Boston’s The Gourmet Pizza Restaurant & Sports Bar®” and do not do business under any other name.

Boston’s is owned by Treliving Private Investments Ltd., a British Columbia, Canada corporation (“TPI”), and BPR GP, Inc., a Delaware corporation (“BPR GP”).

TPI is a wholly-owned subsidiary of James Treliving Holding, Ltd. (“JTHL”). JTHL is a subsidiary of Treliving Family Holdings, Inc. (“TFHI”). TFHI, JTHL, and TPI maintain their principal place of business at 100-10760 Shellbridge Way, Richmond, BC V6X 3H1. TPI also owns the intellectual property used in Boston’s Restaurants operating in the United States and Mexico and licenses the rights to franchise them to us.

BPR GP is owned by Boston Pizza Restaurants (USA), Inc. (“BPR USA”), a Delaware corporation and wholly-owned subsidiary of TPI. BPR GP and BPR USA maintain their principal place of business at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254. We have no other parents.

We have been offering franchises for Boston’s Restaurants in the United States since December 21, 2001. BPR USA offered franchises for Boston’s Restaurants in the United States from October 1995 to December 21, 2001. BPR USA operates one Restaurant of the type being franchised under this Disclosure Document.

We have three affiliates. Boston Pizza International Inc. (“BPI”), offered franchises for “Boston Pizza” restaurants in Canada from 1983 to 2015. As the result of a restructuring in 2015, BPI transferred all Canadian franchise rights and related agreements to Boston Pizza Canada Limited Partnership (“BPCLP”), which is controlled by BPI. BPCLP has offered franchises for “Boston Pizza” restaurants in Canada since 2015 and has not offered franchises in any other line of business. BPI, and subsequently BPCLP, have operated the type of business offered under this Disclosure Document since 1983. BPCLP is located at 100-10760 Shellbridge Way, Richmond, B.C. V6X3H1.

Our affiliate Boston Pizza Restaurants (Mexico), Inc. (“BPR Mexico”) has offered franchises in Mexico under the Boston’s The Gourmet Pizza Restaurant & Sports Bar® mark since April 2002 and has not offered franchises in any other line of business. As of December 31, 2020, BPR Mexico has 17 franchised locations. BPR Mexico maintains its principal place of business at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254.

Our third affiliate, BPR (USA) Group Marketing Fund, Inc. (“BPR Marketing”), provides certain marketing and advertising services to us and our franchisees. BPR Marketing maintains their principal place of business at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254.



Except as described above, neither us, nor our parents, predecessors or affiliates have offered franchises in any line of business or have operated Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurants.

Our agent for service of process in Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801. Our agents for service of process for other states are identified by state in Exhibit E to this Disclosure Document. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

## **The Franchise**

We grant franchises to qualified candidates using our system (“System”) and our trade names, trademarks, service marks, emblems, logos, slogans and copyrights (“Proprietary Marks”) from an approved retail location for the operation of a Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurant. We are not presently engaged in business activities other than the development of the Boston's The Gourmet Pizza Restaurant & Sports Bar® system and the offer, sale and support of Restaurants.

A Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurant is a full-service casual dining restaurant. Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurants serve delicious, hot pizza and pasta dishes, and a wide variety of mouth-watering entrees, appetizers, salads, sides and desserts. We specialize in serving family and friends in a full-service casual dining restaurant, combined with an exciting sports bar featuring large flat screen TV's, generous drinks and our great food in a fun atmosphere. The concept focuses on the casual dining sector of the market, catering to families, young adults, single older adults and groups. Restaurants feature a contemporary warm and lively decor package featuring earth colors and signage, flexible seating areas and a sports theme bar area and restaurant seating area. The bar area offers a choice of stand up, counter, table and booth seating with an area dedicated to entertainment games like pool or darts. Also, there is an outdoor patio area that offers additional seating.

The Restaurants primarily cater to on-premises business with take-out and delivery sales of approximately 10% to 20% of total sales, although the results of individual Restaurants may vary. The typical Restaurant includes an outdoor patio and seats approximately 200 to 260 customers. We also offer franchises for Restaurants in smaller footprints where available, appropriate and advantageous, including in non-traditional locations such as malls, airports and hotels.

The menu presently features an extensive offering of “classic” and “gourmet” pizzas, pasta, salads, chicken, burgers, ribs, appetizers, and desserts as well as alcoholic and non-alcoholic beverages.

The contemporary decor package, friendly service style, varied and distinctive menu and flexible atmosphere appeals to a broad range of customer groups looking for a high quality, fun and casual place to eat. Each Restaurant typically requires approximately 55 to 60 employees.

We sell franchises for the right to establish and operate Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurants under the Boston's System. The System includes distinctive exterior design, signs, color scheme, standards and specifications for products, inventory, and supplies; uniform standards, hours of operation, specification and procedures for operations; procedures for management and quality control; marketing, advertising, and accounting systems; training and assistance.

You must operate your Restaurant under the “Boston’s The Gourmet Pizza Restaurant & Sports Bar®” mark and use other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System.

The Franchise Agreement (Exhibit A to this Disclosure Document) gives you the right to establish and operate one Restaurant at a specified location and to conduct any authorized catering and delivery services from that location.

We may require your Principal Owners (as defined in Item 15) to sign an Owners’ Guaranty and Assumption Agreement (“Guaranty”), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. We may require your non-principal owners to each sign a “Principal’s Undertaking” in the form attached to the Franchise Agreement.

The Franchise Agreement requires you to designate an “Operating Principal.” Your Operating Principal is the main individual responsible for your business. If you are an individual, you will be the Operating Principal. If you are not an individual, you must designate someone who meets our requirements and whom we approve to be your Operating Principal. Your Operating Principal will sign the Guaranty.

We also offer qualified applicants the right to enter into a Development Agreement, the form of which is attached as Exhibit B to this Disclosure Document, to develop two or more Restaurants within a specifically described geographic area (“Development Territory”). The size of the Development Territory will vary depending upon local market conditions and the number of Restaurants to be developed. The Development Territory will be determined before executing the Development Agreement and will be described in Attachment A to the Development Agreement.

If you sign a Development Agreement, you must develop the number of Restaurants specified by the Development Agreement in the Development Territory according to a development schedule and must enter into a separate Franchise Agreement for each Restaurant you establish. The Franchise Agreement for the first Restaurant developed under the Development Agreement will be in the form of Exhibit A to this Disclosure Document and will be executed at the same time as the Development Agreement. For each additional Restaurant developed under the Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, except that the initial franchise fees will be as provided in the Development Agreement, and the royalty and advertising expenditure percentages will be the same as those in the Franchise Agreement at Exhibit A to this Disclosure Document.

The person or entity executing the Development Agreement is the “Developer.” The Development Agreement also contains concepts like “Principal Owner,” “Non-Principal Owner” and “Operating Principal” that are similar to those in the Franchise Agreement. The Operating Principal for all Restaurants you (and, if applicable, your wholly-owned subsidiaries) operate must be the same person, and the Operating Principal under the Development Agreement and any Franchise Agreement executed under the Development Agreement must be the same person.

In this Disclosure Document, the terms “Principal Owner” and “Operating Principal” include those persons having similar obligations identified in both the Development Agreement and Franchise Agreement, and the terms “you” and “your” also include the developer under the Development Agreement, unless we have noted otherwise. Any reference to the “Agreements” means the Development Agreement and the Franchise Agreement, as applicable.

## Competition

The general market for the Boston's Restaurant will be the general public, with a primary focus on adult customers. The restaurant market is well developed and highly competitive. You will compete with independently owned, franchised and established chains of restaurants, food trucks, pizza shops and sports bars.

## Industry-Specific Regulation

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Boston's Restaurant, including those which: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the location of the Boston's Restaurant; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements; employee practices concerning the storage, handling and preparation of food; restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines; (f) regulate the proper use, storage and disposal of waste, insecticides and other hazardous materials; (g) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free;" and (h) establish requirements concerning withholdings and employee reporting of taxes on tips. You must also obtain all necessary permits, licenses and approvals to operate your Boston's Restaurant.

Many local or state jurisdictions require food service permits for those preparing, handling and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain these permits. There may also be local ordinances and regulations governing food storage, preparation and serving.

You must obtain all required licenses, permits, and approvals to operate your Boston's Restaurant. You must obtain a retail alcoholic beverage license under state and local law, regulations and ordinances. You should understand that the sale of alcoholic beverages is heavily regulated by federal, state and local laws, regulations and ordinances. These laws, regulations and ordinances may vary significantly between jurisdictions. You may also have liability imposed on you by Dram Shop Laws for injuries directly and indirectly related to the sale and consumption of alcoholic beverages.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data. Franchisees must also be sure to comply with applicable federal and state laws regulating the privacy and security of sensitive consumer and employee information.

You alone are responsible for investigating, understanding and complying with all applicable laws, rules, regulations, ordinances and requirements applicable to you and your Boston's Restaurant, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Boston's Restaurant. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

## **ITEM 2 BUSINESS EXPERIENCE**

### Chairman of the Board of Directors and Chief Executive Officer: James Walter Treliving

Mr. Treliving has held the position of Boston's Chairman of the Board of Directors since November 2004 and Chief Executive Officer since December 2001. Mr. Treliving oversees Boston's operations and the development of the franchise system out of Boston's office in Dallas, Texas. Mr. Treliving has also served as a Director, Chief Executive Officer, Secretary/Treasurer and Chairman of BPR USA since January 1995 in Dallas, Texas. He is also the owner of BPI, and has served as a Director of BPI since January 1983 in British Columbia, Canada.

### President: Jeff Melnick

Mr. Melnick has served as Boston's President since September 2018 in Dallas, Texas. From April 2018 to September 2018 he served as our Executive Vice President in Dallas, Texas. From August 2016 to November 2017, he served as Brand Leader/Vice President of Gordon Biersch Brewery Restaurants, a brand owned by Craftworks Restaurants & Breweries in Broomfield, Colorado. From January 2014 to May 2016, Mr. Melnick was with Red Robin Gourmet Burgers, Inc. in Englewood, Colorado, where he served as Senior Vice President of Operations.

### Vice President of Finance: Richard Lauro

Mr. Lauro has served as Boston's Vice President of Finance since March 2016 in Dallas, Texas. From September 2014 through February 2016, he served as Vice President of Finance for Carrier Enterprise in Carrollton, Texas.

### Vice President of Franchise Sales and Development: Ryan Reeves

Mr. Reeves has served as Boston's Vice President of Franchise Sales and Development since October 2018 in Dallas, Texas. From September 2016 through September 2018, he served as Vice President of Franchise Sales for SpeedPro Imaging in Centennial, Colorado. From January 2016 to September 2016, Mr. Reeves served as Senior Director of Franchise Sales for Focus Brands – McAlister's Deli in Atlanta, Georgia.

### Vice President of Marketing: Katie Borger

Ms. Borger has served as Boston's Vice President of Marketing since January 2020. Ms. Borger served as Boston's Senior Director of Marketing from October 2017 to December 2019. From January 2017 to September 2017 she served as Director of Marketing for Boston Pizza Restaurants, LP. Ms. Borger served as Senior Communications Manager from January 2015 to December 2016. All of Ms. Borger's service to Boston's has been in the Dallas, Texas offices.

### Senior Director of Real Estate and Franchise Development: Maxwell Joyner

Mr. Joyner has served as Boston's Senior Director of Real Estate and Franchise Development since January 2018 in Dallas, Texas. Mr. Joyner has also served as a Senior Analyst for White Rock Commercial, LLC in Dallas, Texas since March 2016.

### ITEM 3 LITIGATION

#### **Prior Litigation:**

Mineshkumar Patel v. Boston Pizza Restaurants LP and BPR GP, Inc.; Cause No. DC-19-07656 in the District Court of Dallas County, Texas, 160th Judicial District. On May 29, 2019 Mineshkumar Patel, who signed a development agreement on May 31, 2017 for development of two Boston's Restaurants in the city limits of Boston, Massachusetts, filed suit against Boston's alleging breach of alleged oral agreements, fraud/fraudulent inducement, negligent misrepresentation, violations of the Texas Deceptive Trade Practices Act, and seeking a declaratory judgment plus attorney's fees and exemplary damages in excess of \$200,000 but not more than \$1,000,000. Boston's filed a counterclaim on June 27, 2019 against Mr. Patel for breach of the development agreement based on the failure to develop in accordance with the development schedule and sought damages, attorney's fees and costs. On August 2, 2019 Boston's and Mr. Patel entered into a Settlement and Mutual Termination Agreement pursuant to which Boston's paid Mr. Patel \$5,000, all prior development agreements or franchise agreements were terminated and the parties agreed to file a dismissal of their respective demands. The final order of dismissal was entered on August 9, 2019.

#### **Franchisor Initiated Litigation:**

Boston Pizza Restaurants, LP v. Rakesh Kaushal; Cause No. DC-20-00420 in the District Court of Dallas County, Texas, 191st Judicial District. In connection with the dismissal of Civil Action No. 3:20-cv-0021-S in the United States District Court for the Northern District of Texas, Dallas Division, Boston's filed suit against ex-franchisee, Rakesh Kaushal, on January 8, 2020, seeking to recover liquidated damages in the amount of \$205,000 resulting from Mr. Kaushal's breach of his franchise agreement, which resulted in its termination. Boston's also seeks attorney's fees, pre- and post-judgment interest, taxable court costs, and all other relief to which Boston's may be entitled but not in an amount more than \$1,000,000. On March 2, 2020, Mr. Kaushal filed a special appearance challenging the personal jurisdiction of Texas courts in the case and filed an answer denying Boston's allegations and putting forth several affirmative defenses. The case had been set for a non-jury trial on February 15, 2021 and the parties were engaged in discovery, but the case was dismissed without prejudice.

Other than these actions, no litigation is required to be disclosed in this Item.

### ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

### ITEM 5 INITIAL FEES

#### **Initial Franchise Fee**

You must pay a \$50,000 initial franchise fee when you sign the Franchise Agreement. If you are signing the Franchise Agreement under a Development Agreement, we will credit your development fee against the initial franchise fee as described below. The initial franchise fee is deemed fully earned upon receipt, is non-refundable and is uniformly imposed. During our last fiscal year, we collected initial franchise fees of \$50,000.

## **Development Fee**

If you sign a Development Agreement, you must pay us a lump sum development fee equal to \$50,000 multiplied by the number of Restaurants to be developed. The amount paid for each Restaurant as a development fee will be credited against the initial franchise fee for that Restaurant when you sign the Franchise Agreement. For example, if you sign a Development Agreement to develop three Restaurants, you will pay us a development fee equal to \$150,000, and no initial franchise fee will be due when you sign each of the three Franchise Agreements for the Restaurants to be developed. The Development Fee is deemed fully earned upon receipt, is non-refundable and is uniformly imposed, even if you don't open any Boston's Restaurants. In our last fiscal year ended December 31, 2020, we collected a Development Fee of \$50,000.

## **Initial Training**

We provide initial training for your first two Restaurants in the Dallas, Texas area. We do not charge a fee for this training, but you must pay all of your and employees' travel-related expenses and wages.

Before you open your third and subsequent Restaurants (if applicable), your managers must complete initial training at your certified training Restaurant. If you do not have a certified training Restaurant, then we will provide initial training to your managers at our Dallas training center, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period). If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses. Initial training fees must be paid 15 days before initial training begins and reimbursement of our expenses must occur no later than 15 days after invoiced.

## **On-Site Opening Assistance**

For your first two Restaurants, we will provide you with at least two people for up to three weeks of on-site training before and during the opening of your Restaurant. You must pay us an on-site opening assistance fee of \$15,000 ("On-Site Opening Assistance Fee"). If you request or we require that we provide additional training beyond the three-week period, we may charge you, at our discretion, our then-current fee for additional training (currently \$1,000 per trainer per five-day period), plus our per diem per trainer (currently \$350 per person per five-day period), plus travel-related expenses we incur. This fee is due upon invoice, approximately 24 weeks before the opening date of your Restaurant. For your third and subsequent Restaurant openings (if applicable), if you request or if we determine that on-site opening assistance is necessary, we will provide assistance based on availability of our or our affiliates' personnel, and you must pay the On-Site Opening Assistance Fee. You must pay all costs and expenses for you and any attendees.

## **Pre-Opening Marketing Assistance**

We will present you with customized marketing plan options designed to advertise and promote the opening of your Restaurant approximately 24 weeks before the opening date of your Restaurant. The cost of the marketing plan is currently \$20,000. You must select a media plan option and pay us within 14 days of our presentation to you.

All of the initial fees described in this Item 5 are non-refundable and uniformly imposed.

**ITEM 6  
OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales <sup>(2)</sup>	On or before each Thursday for the preceding week	Your “ <u>Royalty Fee</u> ” is an ongoing payment that allows you to use the Proprietary Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Advertising Assessments: a) Advertising Fund Contribution b) Local Advertising Spend	4% of Gross Sales: a) 3% of Gross Sales b) 1% of Gross Sales	Same as Royalty Fee payments  When billed by the local advertiser (monthly substantiation required)	You must spend a total of at least 4% of the Restaurant’s Gross Sales on marketing and advertising. Currently, you must contribute 3% of Gross Sales to the advertising fund and spend 1% of Gross Sales on approved local advertising. We may require you to allocate differing amounts to local advertising (individually or through a cooperative) or to the advertising fund, but your total required spend for advertising will not exceed 4% of Gross Sales.
Late Payment Fee and Interest	\$100 per week plus interest at 18% per year or the maximum lawful rate (the maximum interest rate in California is 10% annually)	On demand	We may charge interest and late payment fees on all overdue amounts.
Additional, Successor, and/or Remedial Training	Successor Training: For first two Restaurants, our then-current fees; currently, \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your Restaurant; no fee if successor training occurs in Dallas, Texas. For third and subsequent Restaurants, our then-current fees regardless of where training occurs; currently, \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your Restaurant; no travel-	Additional, Successor, and/or Remedial Training	Successor training is for the training of your replacement managers. Management successor trainee(s) must complete up to three weeks of training.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
	<p>related expenses if successor training occurs in Dallas, Texas.</p> <p>Additional/Remedial Training: \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your Restaurants; no travel-related expenses if successor training occurs in Dallas, Texas.</p>		
<p>Transfers:</p> <p>a) Transfers by you and your Principal Owners</p> <p>b) Transfers by Non-Controlling Principals</p> <p>c) Transfers for the Convenience of Ownership</p>	<p>a) \$25,000</p> <p>b) Our reasonable costs associated with the transfer, including background checks</p> <p>c) Our reasonable costs and expenses associated with the transfer, including legal and accounting fees.</p>	<p>30 days before the transfer</p> <p>On demand</p> <p>On demand</p>	<p>You must advise us of any pending transfer of the Franchise Agreement and all transfers must comply with the terms of the Franchise Agreement and comply with our transfer requirements. The transfer fee must be fully paid before any transfer. Transfers under the Development Agreement are restricted to transfers of non-controlling interests in the developer and assignment of franchise rights to wholly-owned subsidiaries, for which no fee is required.</p>
Audit Fee	Cost of audit plus interest	When billed	Payable if an audit shows you have understated any amount owed to us by 3% or more.
Quality Inspection re-Audit Fee	Cost of re-audit; currently \$500	When billed	We pay for quality inspection audits. If you fail to meet our required passing percentage rate you must pay a re-audit fee.
Securities Offering Fee	Cost and expenses associated with reviewing the proposed offering	When billed	We have the right to review and consent to any public or private offerings of interests in you. We limit our review to the manner in which the offering materials treat your relationship with us.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Indemnification	Varies according to loss	On demand	You must indemnify us when certain of your actions result in loss to us.
Insurance	A reasonable amount based on our expenses	On demand	If you fail to obtain or maintain the required insurance, we may (but need not) obtain it on your behalf and charge you for the cost of the insurance and our reasonable expenses.
Renewal Fee	\$25,000	On signing of then-current form of franchise agreement	You must pay a renewal fee of \$25,000 if you elect to renew the Franchise Agreement on the expiration of the initial term. You must give us at least 9 months' and not more than 12 months' notice to renew and meet other renewal conditions.
Inspection and Testing	Cost of inspection, if applicable, and cost of test	When billed	We may require you to pay the cost of testing a proposed supplier's products and inspecting its facilities.
Manual Replacement Fee	\$500 per volume	Due only if a volume of the set of Manuals is lost, stolen, damaged, etc.	If a volume of the set of manuals is lost, stolen, or destroyed, you must pay us a non-refundable replacement fee of \$500 for each replacement volume. All manuals must remain on site at all times and be available to all operating personnel who are authorized to access and use the manuals.
Enforcement Costs	Will vary	As incurred	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.
Liquidated Damages: a) Termination before Restaurant opens for business  b) Termination after Restaurant opens for business (open for less than six months)  c) Termination after Restaurant opens for business (open for more than six months)	a) \$100,000  b) Average monthly royalty fees and Advertising Fund Contributions for the actual operating period multiplied by 36 months  c) Average monthly royalty fees and Advertising Fund Contributions for the preceding six months multiplied by the lesser of (i) 36 months or (ii) the number of months remaining in the term of the Franchise Agreement.	On demand	Liquidated damages are only required if your default results in termination of the Franchise Agreement. Our right to receive liquidate damages does not limit our ability to recover other monies due under the Franchise Agreement and to otherwise seek damages or equitable relief for the harm caused by the conduct which gave rise to the termination, as well as for any other defaults by you under the Franchise Agreement.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Technology Fee	\$1,500 per year	Annually	This fee includes point-of-sale (“POS”) system support services, technology solutions maintenance and services, and research and development. We may change this rate upon 60 days’ notice to you. You must sign our POS Support Services Agreement attached as Attachment G to the Franchise Agreement.
Certified Training Designation	Then-current fee; currently \$250 per visit	On demand	We will charge you our then-current fee for every visit we make to your Restaurant to determine if your Restaurant qualifies for certified training Restaurant designation, or requalifies if your Restaurant has lost the designation.
Additional training	Currently, \$1,000 per trainer per five-day period plus costs and expenses	Prior to training	You must pay this for you and all attendees.
Product or Program Rollouts	Then-current fee; currently \$250 per visit per program rollout	On demand	If you request training assistance for any product or program rollout, we may provide training assistance for the rollout, at our option; or if we deem such assistance is necessary; we will charge you our then-current program rollout fee for every visit we make to your Restaurant, plus all reasonable costs and related expenses we incur, in connection with each program rollout.  Our “reasonable costs and expenses” are based on our actual costs and expenses.
Additional Royalty Fee for Alcoholic Beverage Sales	Dollar amount of the Royalty Fee and Advertising Assessments that would have been charged on the difference between excluded sales and the Royalty and Advertising Fund Contributions you actually paid us.	On or before each Thursday for the preceding week	If a state or local law prohibits or restricts your ability to pay us Royalty Fees and Advertising Fund Contributions on alcoholic beverages, you will pay us the difference between those fees you paid us and the fees that would have otherwise been paid. We require you to pay the Royalty Fee by electronic funds transfer.
Broker Fees	Our actual cost of the brokerage commissions, finder’s fees, or similar charges	As incurred	If you transfer your Restaurant to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder’s fees and similar charges.

Notes:

- (1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees. We may negotiate the amount of certain fees in our sole discretion. In determining whether an adjustment is warranted, we

consider such relevant factors as the size and experience of the franchisee, whether we have previously dealt with the franchisee, and market forces. We currently require you to pay fees and other amounts due to us and our affiliates via electronic funds transfer (“EFT”) or other similar means. You must complete the EFT authorization (in the form attached to the Franchise Agreement as Attachment H).

- (2) “Gross Sales” is defined as all sales generated through the Restaurant including fees for any products or goods sold by you, whether for cash or credit (regardless of collectability, except as provided below), and income or revenue of every kind or nature related to the Restaurant, including, without limitation, revenue that in any manner at all arises from or is derived by you or by any other business conducted or which originates in, on, from or through the site or the Restaurant, all revenues from the catering business, special events or other revenue derived from the utilization of the Marks and/or confidential or proprietary information licenses under the Franchise Agreement, the sale of branded merchandise and food and beverage products sold within any hotel or Restaurant, whether or not the food is prepared at the Restaurant and whether or not the orders are taken or filled at the Restaurant, including room service, banquet service, take-out and delivery, pool-side service, bar service, and any other food or beverage service of any kind or character, and from the use of jukeboxes, vending machines, video games, pinball machines or similar arcade-like machines, and from video lottery terminals where permitted by law; provided, however, that “Gross Sales” shall not include any sales tax or other taxes collected from customers and transmitted by you to the appropriate taxing authority. Gross Sales includes the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; provided, that at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price thereof may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. When calculating Gross Sales, you may deduct that portion of the normal full menu price of any item that is not collected by you as a result of promotions approved by us (whether local or system-wide, including coupons) and manager discounts (“Sales Discounts”), as well as discounted employee meals. Sales Discounts and discounted employee meals must be fully disclosed on all reports submitted to us by you and we reserve the right, in our sole discretion, to disallow any Sales Discounts not meeting our requirements. Sales Discounts and discounted employee meals each may not exceed two and one-half percent (2.5%) of Gross Sales (as calculated prior to the deduction for Sales Discounts and discounted employee meals).

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT<sup>(1)</sup>**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee <sup>(2)</sup>	\$50,000	\$50,000	Lump Sum	On signing of Franchise Agreement	Us
Rent Expense <sup>(3)</sup>	\$10,000	\$27,000	As incurred	As incurred	Landlord
Real Property <sup>(4)</sup>	Varies	Varies	As incurred	As incurred	Seller
Site Due Diligence <sup>(5)</sup>	\$5,000	\$12,000	As incurred	As incurred Before Opening	Architect, Engineer, Attorney
Architectural and Engineering Fees <sup>(6)</sup>	\$36,000	\$75,000	As incurred	As incurred Before Opening	Architect, Engineer

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Project Management <sup>(7)</sup>	\$45,000	\$55,000	As incurred	As incurred	Project Management Firm
Construction and Leasehold Improvements <sup>(8)</sup>	\$150,000	\$1,100,000	As incurred	As incurred	Contractors
Furniture Fixtures and Equipment <sup>(9)</sup>	\$385,000	\$735,000	As incurred	As incurred	Suppliers
Audio / Visual Systems <sup>(10)</sup>	\$75,000	\$150,000	As incurred	As incurred	Suppliers
POS & Computer <sup>(10)</sup>	\$35,000	\$40,000	As incurred	As incurred	Suppliers
Signage, Graphics & Artwork <sup>(11)</sup>	\$20,000	\$100,000	As incurred	As incurred	Suppliers
Liquor License <sup>(12)</sup>	Varies	Varies	As incurred	As incurred	Appropriate state/local authorities or third parties
Security and Utility Deposits and Permits <sup>(13)</sup>	\$1,000	\$7,000	As incurred	As incurred	Appropriate state/local authorities or third parties
Initial Training and Opening Expenses <sup>(14)</sup>	\$45,000	\$72,000	As incurred	As incurred	Third Parties
On-Site Opening Assistance <sup>(15)</sup>	\$15,000	\$15,000	As incurred	Before Opening	Us
Pre-Opening Marketing Assistance & Media <sup>(16)</sup>	\$20,000	\$20,000	As incurred	As incurred	Us
Inventory <sup>(17)</sup>	\$27,000	\$47,000	As incurred	As incurred	Suppliers
Managers' Salaries <sup>(18)</sup>	\$29,000	\$35,000	As incurred	As incurred	Manager
Insurance <sup>(19)</sup>	\$1,500	\$2,500	As incurred	As incurred	Suppliers
Professional Fees <sup>(20)</sup>	\$8,000	\$15,000	As incurred	As incurred	Suppliers
Additional Funds (3 months) <sup>(21)</sup>	\$30,000	\$50,000	As incurred	Varied times	Suppliers
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(22)</sup></b>	<b>\$987,500</b>	<b>\$2,607,500</b>	<b>(excluding real property)</b>		

### Development Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Development Fee <sup>(2)</sup>	\$50,000	\$150,000	Lump Sum	On Execution of Development Agreement	Us
Initial Investment for the First Restaurant <sup>(2)</sup>	\$987,500	\$2,607,500	Per Table Above	Per Table Above	Per Table Above
<b>TOTAL ESTIMATED INVESTMENT FOR UP TO TWO RESTAURANTS<sup>(3)</sup></b>	<b>\$1,975,000</b>	<b>\$5,215,000</b>			



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
TOTAL ESTIMATED INVESTMENT FOR UP TO THREE RESTAURANTS <sup>(2)(15)(23)</sup>	\$2,947,500	\$7,824,000			

Notes:

Except as described above, none of the expenses described in this chart are refundable.

- (1) Estimate Basis. Costs included are based on open shop bidding practices with no premium built in for the cost of union labor. These costs are based upon corporate and franchisee experience over the past 24 months.
- (2) Initial Franchise Fee; Development Fee. If you enter into a single Franchise Agreement with us, you will pay us \$50,000 as the initial franchise fee. If you enter into a Development Agreement with us, you will pay us a development fee equal to \$50,000 multiplied by the number of Restaurants to be developed. See Item 5 for more information.
- (3) Rent Expense. This range is based upon a Boston's Pizza between 5,000 to 7,000 square feet of interior space. If you do not own suitable space or land for your Restaurant, you must rent premises suitable for the operation of a Restaurant. This estimate is for your rent the first month and does not include an estimate of monthly operating expenses, including, but not limited to, common area maintenance, real estate taxes and Landlord insurance. The rental expense may vary widely based on geographic location, size of the facility, local rental rates, Landlord's work, Tenant Improvement Allowance and other factors.
- (4) Real Property If you do not currently have acceptable space for your restaurant and do not rent premises for the operation of the Restaurant, you must purchase at least 5,000 to 7,000 square feet of suitable space. Real estate values vary dramatically from region to region. If you choose to buy, rather than rent, real estate on which a building suitable for your restaurant already is constructed or could be constructed, the real estate will have varied costs depending on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying, so we cannot estimate the cost of purchasing real estate.
- (5) Site Due Diligence. We must accept the site selected by you in writing before you can proceed. Prior to granting our acceptance of a site, we will require you to retain the services of our designated project management firm who will assist you in site specific due diligence, including but not limited to initial conditions review and analysis, municipal review, scope development, initial site and floor planning, budget development and timeline development.
- (6) Architectural and Engineering Fees. You must utilize our designated architect for your Restaurant unless otherwise approved in writing by us. You will be provided a prototypical set of drawings for a Restaurant. These drawings must be site adapted to each individual site as required to meet local and state building codes. This range represents the estimated cost you will pay for the architectural services required to "site adapt" the prototype drawings for your location as required to receive a building permit. Extensive revisions to the prototype which might be required by a municipality or other governmental entity are not included in this range.
- (7) Project Management. You must retain the services of our designated project management firm who specializes in assisting restaurant operators during the construction process. The project

management firm will assist you in submitting, processing, monitoring and obtaining all necessary construction documents, licenses and permits and to advise you throughout the construction of your Restaurant.

- (8) Construction and Leasehold Improvements. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of your Restaurant. In our experience, construction costs continue to rise. This range represents the estimated construction costs for interior improvements for an existing restaurant retrofit or build out from a building shell.
- (9) Furniture, Fixtures, and Equipment. This entry represents the cost for the purchase of furniture, fixtures, and equipment for your Restaurant. It includes items such as kitchen equipment, smallwares, decorative package, fountain dispensers, draft beer dispensers, and other miscellaneous fixtures and equipment. You must utilize our kitchen equipment vendor for your Restaurant unless otherwise approved in writing by us.
- (10) POS and Computer Systems. The range in the table above includes the costs of point-of-sale and computer systems. You must purchase a POS system in accordance with our specifications from a designated supplier.
- (11) Signage, Graphics and Artwork. This amount includes the costs of building signs, monument signs, and/or pole signs as well as interior graphics and art package.
- (12) Liquor License. It is solely your responsibility to obtain and maintain a liquor license. The cost of a liquor license can be significantly higher in states where the number of licenses is severely restricted or available only from an existing holder. Costs of obtaining a liquor license vary widely, so we cannot estimate the cost of obtaining one.
- (13) Security and Utility Deposits and Permits. You may need to pay permit fees and utility deposits in establishing your Restaurant. These amounts can vary, depending on the municipality.
- (14) Initial Training and Opening Expenses. This amount represents the estimated cost to hire and train a management team and hourly employees who will staff the Restaurant. This entry includes expenses associated with the attendance at our initial training program as well as with the on-site training provided by our employees during the opening of your Restaurant and expenses associated with the opening of the Restaurant. You are solely responsible for all opening expenses you or your attendees incur.
- (15) On-Site Opening Assistance. For your first two Restaurants, we will provide you with at least two people for up to three weeks of on-site training before and during the opening of your Restaurant. You must pay us an on-site opening assistance fee of \$15,000. For your third and subsequent Restaurant openings (if applicable), if you request, or if we determine, that on-site opening assistance is necessary, we will provide such assistance based on availability of our or our affiliates' personnel, and you must pay the On-Site Opening Assistance Fee.
- (16) Pre-opening Marketing Assistance and Media. We will present you with media plan options, the minimum cost of which is currently \$20,000.
- (17) Inventory. You must purchase an initial inventory of food products, beverages, and Restaurant supplies according to our specifications.

- (18) Managers' Salaries. This is an estimate of the Managers' salaries during training and before opening your Restaurant.
- (19) Insurance. This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the coverage described in the Franchise Agreement. We must be named as an additional insured on these policies, and we must receive proof of insurance within 30 days after you obtain the insurance. Your cost of insurance may vary depending on the insurer, the physical site of the location of the Restaurant, the value of the improvements and your claims history. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Restaurant, your rates may be significantly higher than those estimated above.
- (20) Professional Fees. You may need or elect to use professional services (attorneys, accountants) in establishing your Restaurant and obtaining a liquor license. These amounts vary widely, depending on the extent of the services required.
- (21) Additional Funds. In the event there is a cash shortfall during the initial operating phase of the Restaurant (approximately the first three months of operation), you will need to have additional funds available for your use. These additional funds will be needed for expenses such as costs associated with the opening of your Restaurant, ongoing marketing costs, working capital, Managers' salary after opening, debt service, and additional miscellaneous costs.
- (22) Total. We are unable to calculate the exact investment required of each franchisee for a Restaurant due to the many factors that influence the total project costs. The figures above are estimates only and may vary depending on location. These figures do not include shipping, installation or any applicable federal or state sales tax. Your initial investment will also vary considerably depending on the method and amount of financing that you use. You will incur additional costs if you purchase the land on which your Restaurant is built. We expect that your total project costs will be less in the event that you have an opportunity to convert an existing restaurant pad site in lieu of constructing a Restaurant from the ground up to a completed prototype. The Initial Franchise Fee and other items are shown in full, although they may be financed or leased by third parties. These ranges are estimates only. You should review these figures carefully with a business advisor before making a final decision.
- (23) If you do not have a certified training Restaurant before you open your third and subsequent Restaurants (if applicable), we will provide initial training to your managers at our Dallas training center, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period). If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses. This high estimate assumes an additional training fee of \$1,000 and \$500 in travel expenses.

## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### Required or Approved Sources

We do not require you to purchase or lease any non-proprietary products or services directly from us or persons affiliated with us. However, in order to maintain the high standards, quality and uniformity of the System, you must purchase certain proprietary food, beverage, packaging and logoed products from sources designated by us including, but not limited to: pizza mixes, pizza sauce, pizza flour, pizza dough, seasoning and spice packs, sauces, proteins, salad dressings, pepperoni, bolognese meat sauce, pasta, various meat and poultry products, produce, bar mixers, desserts, seafood, steaks, pizza toppings (meatballs, bacon, ham, sausage and beef), smallwares, boxes, bags and containers, cheese, soups, french





fries, bread and uniforms. To ensure food safety, team member hygiene, and proper sanitation, all chemical and ware-washing equipment must be purchased from our approved vendor.

We will provide you with a list of approved manufacturers, suppliers and distributors and approved inventory products, fixtures, furniture, equipment, audio/visual equipment, signs, stationery, supplies and other items or services necessary to operate the Restaurant (“Approved Supplies List”). The Approved Supplies List may specify the specific manufacturer of a specific product, piece of equipment or service. As further detailed below, from time to time we, an affiliate or a third-party vendor or supplier may be the only approved supplier for certain products or services. You will pay the then-current price in effect for all purchases you make from us or our affiliate. In addition, the POSi system is the only approved POS system for all new restaurant openings and existing restaurants. You must purchase the POSi platform (hardware and software) from Custom Business Solutions and Toshiba Global Commerce Solutions. Currently, you must use one of our designated suppliers for ongoing service. You may be required to sign contracts and service agreements with third-party suppliers in the form that they specify and to pay any related third-party fees. The lists also may include other specific products or services without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products and services. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

We and our affiliates may derive revenue from the sale of certain proprietary food products and restaurant equipment or receive rebates as a result of franchisee purchases. We and our affiliates have the right to utilize this revenue for any purpose in their sole discretion. Although not required to, we generally use this revenue to offset the cost of marketing initiatives, culinary innovation, menu and recipe development, and meetings. During the fiscal year ended December 31, 2020, we received \$370,593 in rebate revenue from designated suppliers as a result of franchisees’ product purchases from designated suppliers. Neither we nor our affiliates derived any revenue from the sale or lease of products or services to franchisees.

You must use our designated architect and project management firm for your Restaurant(s) unless otherwise approved in writing by us. You must also use our kitchen equipment vendor for your Restaurant(s) unless otherwise approved in writing by us.

You must utilize our online ordering system, credit card processing vendor, and labor management scheduling system.

You must participate in our loyalty program, as well as in our gift card program and purchase gift cards from our designated vendor. You must redeem gift cards issued under our gift card program at your Restaurant.

You must abide by our catering and delivery policies in the Manuals, which may include participation in delivery programs with our designated catering and delivery vendors.

We reserve the right to require you to purchase certain goods, services, supplies, fixtures, equipment, or inventory as it may specify in the Manuals. Except as described in this Item, you are not required to purchase or lease from us or from our designated sources, any goods, services, supplies, fixtures, equipment, inventory or real estate.

We and our affiliates reserve the right to receive additional rebates and other consideration from present and future suppliers as a result of your purchases of goods, products and services. We will retain and use such payments as we deem appropriate. We reserve the right to negotiate new purchase agreements for Franchisees.

Neither we nor any affiliated company is currently an approved supplier. None of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the System.

We estimate that approximately 85% of purchases required to open your Boston's Restaurant and 50% to 60% of purchases required to operate your Boston's Restaurant will be from us or from other approved suppliers or under our specifications.

### **Purchases According to Specification**

In order to maintain the uniformly high standards and reputation of the System, you must purchase or lease certain items in accordance with the specifications and guidelines issued by us or from suppliers approved by us. This requirement applies to design and build-out standards, signage, computer hardware and software, displays, and non-proprietary inventory. Specifications may include minimum standards for quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range and other related restrictions. We consider these specifications to be of critical importance to the success of the System. Our Manuals contain the specifications and they may be changed at any time, in our sole discretion.

You must obtain and maintain insurance policies protecting you and us and various related parties in the types and amounts we require. These policies must be written by a responsible insurance carrier or carriers rated "A-VIII" or better by the A.M. Best Company, Inc. and that are acceptable to us. All policies, except workers' compensation and employer's liability insurance must name us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees as additional insured(s). At a minimum, you must carry (1) comprehensive general liability insurance in the amount of \$5,000,000, combined single limit per occurrence, or any higher amount required by your lease. Liability in excess of \$1,000,000 may be satisfied by your purchase of umbrella or excess liability coverage; (2) workers' compensation and employer's liability insurance in an amount we designate, but not less than the minimum amount mandated by applicable state laws. The minimum limit of liability for employer's liability is \$1,000,000 each accident; \$1,000,000 for disease, each employee; and \$1,000,000 for disease, policy limit; (3) business income and extra expense insurance equal to the average monthly royalty fees and Advertising Fund Contributions payable during the 6 months immediately preceding the event causing the interruption (or any shorter period that the Restaurant has been in operation) multiplied by 12, but not less than \$100,000 annual coverage.

### **Supplier Approval Process**

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process. Nothing requires us to approve any particular supplier. We will approve or disapprove a proposed supplier within 30 days of the date on which we receive all information we request about the proposed supplier.

We apply the following general criteria, among others, in considering whether the supplier will be designated as an approved supplier:

1. Ability to produce the products, services, supplies or equipment and meet our standards and specifications for quality and uniformity;

2. Production and delivery capabilities and ability to meet supply commitments;
3. Integrity of ownership (to assure that its association with us would not be inconsistent with our image or damage our goodwill);
4. Financial stability;
5. The negotiation of a mutually satisfactory license to protect our intellectual property;
6. Ability to provide traceability of the products and their ingredients (i.e., proteins), services, supplies or equipment related to the packaging, preparation and production of same; and
7. Adherence to industry standards related to mark-ups and price protection for up to a minimum of 30 days.

These criteria are only examples, and the criteria may change at any time at Boston's sole discretion.

Boston's may negotiate discounted prices for products with suppliers and you may, in that event, purchase products at the discounted price. Boston's currently has no purchasing or distribution cooperatives serving the System. Boston's does not provide material benefits (for example, renewal or granting additional franchises) to franchisees based on their purchase of particular products or their use of designated or approved suppliers.

Except as described in this Item, there are no other requirements for you to purchase or lease in accordance with specifications or from approved suppliers.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

**These tables list your principal obligations under the franchise and other agreements. They will help you find more detailed information about your obligation in these agreements and in other items of this Disclosure Document.**

### Franchise Agreement

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section III. and Site Selection Addendum.	Item 11
b. Pre-opening purchases/leases	Section III.	Items 5, 6, 7, 8 11
c. Site development and other pre-opening requirements	Sections III., VII. and VIII.	Items 5, 7, and 11
d. Initial and ongoing training	Section VIII.A.	Items 5 and 11
e. Opening	Sections III. and VIII.	Items 7 and 11
f. Fees	Section V.	Items 5 and 6
g. Compliance with standards and policies/operating manual	Section VIII.B.	Items 8,11 and 16
h. Trademarks and proprietary information	Section X.	Items 11, 13, 14 and 15
i. Restrictions on products/services offered	Section VIII.E.	Items 8 and 16



Obligation	Section in Franchise Agreement	Disclosure Document Item
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	Section VIII.E.	Item 6 and 8
m. Maintenance, appearance and remodeling requirements	Sections III.B., IV.B.(2) and XIII.B.	None
n. Insurance	Section XIII.	Items 7 and 8
o. Advertising	Section IX.	Items 6 and 11
p. Indemnification	Section XVI.	Item 6
q. Owner's participation/management and staffing	Section VII.D.	Items 11 and 15
r. Records and reports	Section XII.	Item 17
s. Inspections and audits	Sections VIII.E.(2), VIII.F.(6) and XII.C.	Items 6 and 11
t. Transfer	Section XV.	Items 6 and 17
u. Renewal	Section IV.B.	Items 6 and 17
v. Post-termination obligations	Section XIX.	Item 17
w. Non-competition covenants	Section XI.	Item 17
x. Dispute resolution	Sections XX.F.-M.	Item 6 and 17

### Development Agreement

Obligation	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections VIII.B. and IV.	Item 11
b. Pre-opening purchases/leases	Section VIII.B.	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section IV.	Item 8
d. Initial and ongoing training	Section VIII.A	Item 5 & 11
e. Opening	None	None
f. Fees	Section III.	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Section IV.B.(1).	Item 11, 14 and 16
h. Trademarks and proprietary information	Section II.	Items 13 and 14
i. Restrictions on products/services offered	None	None
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	Section II. and Attachment B.	Item 12
l. Ongoing product/service purchases	None	None
m. Maintenance, appearance and remodeling requirements	None	None
n. Insurance	None	None
o. Advertising	Section VIII.C.	Items 6 and 11
p. Indemnification	Section XIII.	Item 6
q. Owner's participation/management and staffing	Section VII.D.	Items 1, 11 and 15
r. Records and reports	Section VII.G.	Item 17

Obligation	Section in Development Agreement	Disclosure Document Item
s. Inspections and audits	None	None
t. Transfer	Section X.	Items 6 and 17
u. Renewal	None	None
v. Post-termination obligations	Sections IX.F.	Item 17
w. Non-competition covenants	Section XI.B.	Item 17
x. Dispute resolution	Section XIV.E.-L.	Item 17

## ITEM 10 FINANCING

We do not offer direct or indirect financing to you. We do not guarantee your note, lease or other obligations.

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

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

Under the terms of the Franchise Agreement, before you open your Restaurant, we or our designee will:

1. Provide you with access to a copy of our written site selection guidelines and give you site selection assistance as we deem advisable, subject to the availability of personnel. Our written acceptance of the site is required before you commit to lease or purchase the site. You may operate the Restaurant only at a site accepted by us, and we are not obligated to accept a site that is purchased or leased by you before obtaining our acceptance. (Site Addendum to the Franchise Agreement; Development Agreement, Section VI.A).

2. Provide a set of prototypical plans for the construction of a typical Restaurant. These plans are for informational purposes only and are not to be relied on by you in the construction of your Restaurant. You must use our designated architect for your Restaurant(s) unless otherwise designated in writing. For subsequent Restaurants, you may use our architect or you must employ a registered architect or engineer previously approved by us and develop your own working drawings for the construction of your Restaurant. We must review and approve the plans before you begin construction. (Section III.C.(1) of the Franchise Agreement). Your working drawings must substantially comply with our prototypical plan unless changes are approved in writing in advance by us.

3. Provide an initial training program in the operation of the Restaurant for your Operating Principal and, if this is your first or second Restaurant, for your General Manager and up to five approved managers (including your Kitchen Manager). We reserve the right to charge a fee for course materials for the initial training program. (Section VI.B. of the Franchise Agreement).

4. Provide you with access to one set of our Manuals, which may be provided electronically. (Section VI.A. of the Franchise Agreement).

5. Provide you with at least two people to provide on-site pre-opening and opening supervision and assistance (currently, for up to three weeks) if this is your first or second Restaurant. (Section VI.C. of the Franchise Agreement). After your first two restaurants are open, if you request, or if we determine, that assistance is necessary for any subsequent Restaurant openings, we will provide such assistance based on availability of our or our affiliates' personnel, and if such additional training occurs, we may charge you, at our discretion, our then-current fee for additional training (currently \$1,000 per

trainer per five-day period), plus our per diem per trainer (currently \$350 per person), plus travel-related expenses we incur.

During the operation of the Restaurant, we will:

1. Give you advice and written materials we may develop on the techniques of managing and operating Boston's Restaurants. (Section III.G. of the Franchise Agreement).
2. At our discretion, make available to you at a reasonable cost any merchandise, equipment, decor items or other products or services identifying the System. (Section III.H. of the Franchise Agreement).
3. Provide you a list of any designated and approved suppliers. (Section III.I. of the Franchise Agreement).
4. Provide additional training programs and meetings at our option. (Section VI.B. of the Franchise Agreement).
5. Administer the Advertising Fund and provide any advertising and promotional materials we develop for local advertising, directly or through an affiliate. (Section III.F. of the Franchise Agreement).
6. Conduct periodic evaluations of your operations. (Section III.E. of the Franchise Agreement).
7. Provide you with access to any proprietary software programs as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable fee. (Section III.D. of the Franchise Agreement).

### **Obligations Under Development Agreement**

We do not provide any additional assistance to you under the Development Agreement which is not provided for in the Franchise Agreement. We will provide the standard site selection assistance for each Restaurant. We will provide the then-current on-site opening assistance for the first two Restaurants developed. Before you open your third Restaurant you must implement an initial training and Restaurant opening program that complies with our standards and you will be responsible for training your employees (including the General Manager) and providing on-site opening assistance for the third and each subsequent Restaurant. After your first two Restaurants are open, if you request, or if we determine, that assistance is necessary for any subsequent Restaurant openings, we will provide such assistance based on availability of our or our affiliates' personnel. If such additional training is necessary, we may charge you, at our discretion, our then-current fee for additional training (currently \$1,000 per trainer per five-day period), plus our per diem per trainer (currently \$350 per person), plus travel-related expenses we incur.

### **Site Selection**

You must identify and secure a site for your Restaurant within the Development Territory (if you have signed a Development Agreement) or within a non-exclusive Designated Area (if you have not signed a Development Agreement). We must accept the site as meeting our standards. You cannot place a Restaurant at a site we have not first accepted in writing. Your failure to obtain a site that we accept and open within the specified time period is a default under the Development and/or Franchise Agreement for which we may terminate.

When you identify a proposed site, you must submit to us in writing a description of the site, evidence that the site satisfies our site selection guidelines and any other information we may require (“Site Package”). We will review your Site Package within a reasonable time after receipt and accept or not accept the site and your proposed lease or contract of sale. (Section VIII.B.(1) of the Development Agreement; Site Addendum to Franchise Agreement). In reviewing your proposed site, we consider various factors, including accessibility, visibility, traffic counts, demographics, and local competition. Our acceptance of a site does not guarantee that a Boston’s Restaurant will be profitable or successful at that site. You must provide us with a copy of the proposed lease (which incorporates a rider in substantially the form of Attachment H to the Development Agreement or Exhibit 1 to the Franchise Agreement Site Addendum, as applicable) or contract of sale for the site before you sign it. (Section VIII.B.(1) of the Development Agreement; Site Addendum to Franchise Agreement).

Within 120 days after signing the Franchise Agreement, you must enter into a lease or contract of sale for the site. You must provide us with a copy of the executed lease or contract of sale within ten days of its signing. (Section VIII.B.(2) of the Development Agreement; Site Addendum to Franchise Agreement). You must open the Restaurant and commence business within 210 days after signing the Franchise Agreement. If you fail to do so, we may terminate the Franchise Agreement. (Section III.D. to the Franchise Agreement).

## **Advertising**

We have established an advertising fund for marketing, developing and promoting the System, the marks and Boston’s Restaurant Franchises (“Advertising Fund”), which is currently administered by our affiliate, BPR Marketing. You must contribute 3% of your Gross Sales to the Advertising Fund. The Advertising Fund may be used to satisfy the costs of planning, administering, analyzing, producing, and executing advertising, marketing, and promotional assets in the marketplace, including: (a) preparing and producing video, audio, and written advertising materials; (b) administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing media advertising and employing advertising and marketing agencies; (c) developing and maintaining our System website; (d) supporting public relations, market research, and other advertising, promotion, and marketing activities; (e) conducting marketing studies; producing and purchasing radio, television, and e-commerce commercials; (f) producing point of sale materials, outdoor advertising art, and direct mail promotional items; (g) developing and implementing local store marketing programs and materials; (h) conducting product research, development, and testing and menu development; and for any other purpose. Advertising Fund Contributions also may be used to defray salaries of our or our affiliate’s employees related to the operation of the Fund, to pay for attorney’s fees and other costs related to the defense of claims against the Advertising Fund or against us or our Affiliates or the Advertising Fund relating to Advertising Fund programs, and to pay costs with respect to collecting Advertising Fund Contributions.

You must participate in any and all national advertising, marketing, and charitable promotions (“Promotions”), as we designate and approve, in our sole discretion, and you will not have the right to decline participation in the Promotions, without our prior consent. We will use the Advertising Fund to both prepare and disseminate advertising material. The media in which the advertising material may be disseminated includes print, outdoor, social/digital, mobile, radio, and television. The scope of the advertising is currently local and regional and may be national in scope in the future. We or an approved supplier will be the source of the advertising materials and you will not be permitted to use your own advertising materials without our prior written consent. Company-owned stores will contribute to the Advertising Fund on the same basis as franchisees.

The Advertising Fund Contributions paid by you, other franchisees, and company-owned stores will be maintained in an account separate from other monies of ours. We reserve the right to set-up a separately incorporated entity to administer the Advertising Fund. We will annually prepare an unaudited report on the Advertising Fund showing the balance at the beginning of the year, the total amount

contributed, the amount actually expended for the year and the remaining balance or deficit in the Advertising Fund at the end of the year. Franchisees may obtain this report on request. We may deduct reasonable administrative fees, legal fees and other related fees from the Advertising Fund to cover expenses in administering the Advertising Fund, in its sole discretion. During the fiscal year ended December 31, 2020, 29.9% of the Advertising Fund was spent on media placement, 32.4% was spent on production, and 37.7% was spent on administration (these percentages are rounded up to the nearest one-tenth of one percent).

We will allocate advertising funds as it deems appropriate in its sole discretion and its determination as to allocation of the advertising fees may not be contested. We are not required to make expenditures for you that are equivalent or proportionate to your contribution to the Advertising Fund or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. If all of the advertising fees are not spent in the fiscal year in which they accrue, they remain in the Advertising Fund for use in the following year. Except for a portion of the Advertising Fund spent on System website development and maintenance (a portion of which may include soliciting the sale of franchises using the System website), the Advertising Fund is not used to solicit the sale of franchises.

We sponsor the Boston's The Gourmet Pizza Restaurant & Sports Bar® Franchisee Advisory Council ("FAC"). The FAC can be contacted through Richard Lauro, Vice President of Finance at lauror@bostons.com or 972-484-9022.

You must participate in our gift card program and in any other gift certificate, customer loyalty or retention, or special promotional or test program that we implement, at your expense, and must sign the forms and take the actions that we require for you to participate in such programs.

In addition to your contribution to the Advertising Fund, you must spend 1% of your Gross Sales monthly on local marketing. At our direction, the local marketing expenditure must be conducted with other franchisees in your region. All of your advertising must comply with the policies and procedures established by us for the prior approval of all proposed marketing and promotional campaigns and materials. This amount is in addition to any advertising requirements imposed by your landlord (if any) under the terms of your lease. You must submit to us a monthly accounting of your local marketing and promotion expenditures.

Approximately 24 weeks before the Opening Date of your Restaurant, we will present you with a customized marketing plan specific to your Restaurant's trade area that will outline materials needed to operate your Restaurant and a paid media strategy to announce your opening to the community. The plan will be reviewed in collaboration with you and us and is designed to advertise and promote the opening of your Restaurant, the cost of which is currently \$20,000. You must select a media plan option and pay us the cost of such option within 14 days of receipt of the presentation. We must approve all advertising, methods, and media you use in connection with your Restaurant and the Marks.

You may, at your sole option and expense, host additional opening or grand opening events. If you elect to host such events, we must approve in writing, in advance, all advertising, methods, and media you use in connection with such events, and your related expenditures will not be credited toward the pre-opening advertising described above or any of your other advertising expenditures or other obligations.

You are not permitted to create any social media presence, third-party website, or additional digital, online, or e-commerce marketing programs without our written consent. In all cases, we will have sole discretion and control over any profile(s) using or relating to the Proprietary Marks, or that display the Proprietary Marks, that are maintained on social/digital media (including, without limitation, Facebook, Twitter, LinkedIn, Foursquare, YouTube, Pinterest, Instagram, mass messaging outlets, location specific websites, online ordering, loyalty programs, and messaging clubs) or other similar outlets that may exist in the future. We may use part of the Advertising Fund monies it collects to pay or



reimburse BPR Marketing the costs associated with the development, maintenance, and update of such profiles. You must comply with the standards, protocols, and restrictions that are in the Boston's® Social Media Handbook and Guidelines. We may, in our sole discretion, change the Handbook or Guidelines. There are currently no advertising cooperatives. However, we reserve the right to require that local or regional advertising cooperatives be formed, changed, dissolved, or merged.

You must use the email address that we assign to you for all business communications. You may not independently market on the Internet or use any domain name, address, locator, link, metatag, or search technique with words or symbols the same or similar to the Proprietary Marks. We intend that any franchisee Web site be accessed only through our home page. All Internet marketing must be coordinated through and approved by us.

## Training

Before you open your Restaurant, we will train you as follows:

### INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
<p>Week 1: Boston's history/culture, program orientation, guest service, hiring/retention, sexual harassment, product knowledge, meet/greet corporate representatives, training review/expectations</p> <p>KM/GM - Equipment maintenance, station specific training preparation, set-up, production, close down, ordering, receiving, inventories, par levels, labor scheduling, and budgeting</p> <p>FP – All of the above</p>	20	30	Our offices and corporate training center in Dallas, Texas
<p>Week 2: Management orientation, floor supervision, daily administration, cost controls, bar operations and management</p> <p>GM/FP: station specific training, shift meetings, POSi system, TOAD, catering, labor management; Expo</p> <p>KM: Further station specific training. Item prep, training programs</p>	20	30	Our offices and corporate training center in Dallas, Texas

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Week 3: One-on-one with Support Center representatives: Training, Employee & Management Development, Employee Retention & Hiring, Construction & Development, Purchasing, Menu Development, Operations, Financial Planning, and Marketing & Advertising  Kitchen management, ordering, receiving, inventories, par levels, labor scheduling, and budgeting, product knowledge Dining room orientation, station specific training, FOH set-up, service expectations, shift change, close down, shift meetings, POSi, FP – All of the above	10	40	Our offices and corporate training center in Dallas, Texas
TOTAL	50	100	

For your first two Restaurants, we will provide an initial training program of up to three weeks in the operation of the Restaurant for your Operating Principal, General Manager and up to five additional managers (including your Kitchen Manager) (The Operating Principal, General Manager and Kitchen Manager are collectively referred to as the “Managers” in this Disclosure Document). The initial training program is mandatory for the Operating Principal, General Manager and Kitchen Manager. The training program will include three weeks in the kitchen, two weeks in customer service, administrative, and management procedures. The entire three weeks of training will be held at our offices and the Corporate Training Center in Dallas, Texas or any training location designated by us. Content covered will include but is not limited to: dining room management, labor cost controls, inventory management, table service, bartending, hosting, kitchen management, administration, marketing, off premise sales, and operations.

Your Operating Principal and Managers must complete, to our satisfaction, the training program at the Corporate Training Center in Dallas and pass required written exams before the opening of the Restaurant. We may change the classroom content and the length of training based on previous experience of the person attending training at our discretion.

Before you open your third and subsequent Restaurants (if applicable), your Managers must complete initial training at your certified training Restaurant. If you do not have a certified training Restaurant, then we will provide initial training to your Managers, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period), plus our per diem per trainer (currently \$350 per person). If the initial training occurs in the Dallas, Texas area, then you must pay all of your employees’ travel-related expenses and wages. If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses.

Jeffrey Melnick, our President, oversees the training process for existing Restaurants and new Restaurant openings and has been with us since April 2018. Jeffrey Melnick has over 40 years of experience in the restaurant industry. Jeff will be assisted by others who have experience with various aspects of the Boston’s The Gourmet Pizza Restaurant & Sports Bar® business.

#### On-Site Opening Assistance

For the first or second Restaurant, we will provide you with at least two people for up to three weeks of on-site training before and during the opening of your Restaurant. If you request or we require

that we provide additional training beyond the three-week period, we may charge you, at our discretion, our then-current fee for additional training (currently \$1,000 per trainer per five-day period), plus our per diem per trainer (currently \$350 per person per five-day period), plus travel-related expenses we incur. The On-Site Opening Assistance Fee is \$15,000.

For your third and subsequent Restaurant openings (if applicable), if you request, or if we determine, that on-site opening assistance is necessary, we will provide such assistance based on availability of our or our affiliates' personnel, and you must pay the On-Site Opening Assistance Fee. Opening assistance fees must be paid on invoice, approximately 24 weeks before your Restaurant opens.

### Additional Training

We may also provide additional and/or remedial training for your Restaurants and/or initial and/or successor training for your third and subsequent Restaurants (if applicable), in our discretion, and we may offer additional mandatory or optional training programs. We may, in our sole discretion, charge you our then-current fee for all such training (currently \$1,000 per trainer per five-day period), plus our per diem per employee (currently \$350 per person), plus our travel-related expenses we incur, if any.

### **Computer, Point of Sale, and Telephone Systems Requirements**

You must use, maintain, and update as we require the POS, video system, computer hardware and peripheral equipment, and software programs that we require (“Computer System”). Currently, we require our franchisees to purchase multiple POS terminals, printers, computer workstations, and a kitchen video system and all related connectivity devices. We may modify the specifications and the components of the Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use software programs developed by us or others, and we have the right to require you to purchase a software and/or hardware maintenance agreement from us or our affiliate or from a designated provider. You must purchase technology support services from us or our affiliate or from a designated provider. You must pay an annual technology fee of \$1,500, which includes but is not limited to POS Support Services, technology solutions maintenance and services, and research and development. You must pay all amounts charged by any supplier or licensor of the systems and programs you use, including charges for use, maintenance, support, labor, installation, and/or update of these systems or programs. Failure to timely pay any and all amounts owed to any supplier or licensor of the required systems and programs will be considered a material breach of your Franchise Agreement. We reserve the right to have independent access to all information and data which is electronically collected, which includes but may not be limited to sales and other financial information relating to the Restaurant, inventory usage and amounts, and customer information. We reserve the right to modify the amount of types of data collected, and there are no contractual limitations on our right to access the information and data. In other words, we reserve the right to have unlimited access to the information and data and to poll all of our franchisees' systems. In order to accomplish this, you must maintain a broadband Internet connection which must meet or exceed our minimum requirements.

We estimate that the cost of the equipment and software ranges from \$35,000 to \$40,000. We cannot estimate the cost of maintaining, updating or upgrading the Computer System or its components because it will depend on your repair history, local costs of computer maintenance services in your area, and technological advances that we cannot predict at this time. In prior years we estimated the annual costs were approximately \$4,500, but this could vary (as discussed above).

### **PCI Compliance Program**

You must implement and maintain an approved Payment Card Industry (PCI) compliance program for the Restaurant. Currently, we may suggest third-party PCI compliance vendors occasionally,

but you are free to submit alternative PCI compliance vendors to us for approval or seek approval to perform your own PCI compliance. You must submit PCI compliance reports to us in the manner and frequency we require in the Manuals. In the future, we may implement a PCI compliance program managed by an affiliate, a designated vendor, or us and in such an event, you must participate in such program and pay the then-current fee.

### **Credit Card Processing Solution**

You must implement and maintain an approved merchant credit card processing solution for the Restaurant through our designated provider, currently Shift4 Payments. The credit card processing solution includes, but is not limited to, hardware, software, and credit card processing with our designated payment processor provider for credit card payments, in-store EMV chip transactions, above store (online ordering) transactions or any other payment transactions processed on behalf of us. You must obtain our written approval in advance before using any other payment processing solutions.

### **Operations Manuals**

The “Operations Manual” is actually a number of different volumes called Systems Manuals (1652 pages) which, as a whole, constitute the Operations Manual (collectively, the “Manuals”). The Table of Contents of the Manuals is contained in Exhibit F to this Disclosure Document. We consider the contents of the Manuals to be proprietary and you must treat them as confidential. You may not make any copies of the Manuals.

### **Opening**

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the Restaurant is approximately nine to 15 months with conversions and shell build-outs taking less time to complete than ground up restaurants. Factors affecting this length of time are likely to include lease negotiation, financing arrangements, permitting and licensing, construction, and delivery and installation of equipment.

## **ITEM 12 TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

### **Franchise Agreement**

The Franchise Agreement gives you the right to operate a Restaurant and to conduct any authorized catering and delivery services at a site we accept as meeting our site selection guidelines (“Location”). If you sign a Development Agreement, you must select the site for your Restaurant from within the Development Territory identified in Attachment A of the Development Agreement. If you do not sign a Development Agreement, you must select the site for your Restaurant from within a designated area (“Designated Area”) identified in the Site Addendum to your Franchise Agreement. The Designated Area is not exclusive or protected and will be replaced by the Protected Area (described below) after you have identified and we have approved your site.

If you are in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a Boston’s The Gourmet Pizza Restaurant & Sports Bar® Restaurant in the geographic area identified in Attachment A of the Franchise Agreement (“Protected Area”) during the term of the Franchise Agreement. The Protected Area will generally be a radius of one mile around your Restaurant, unless the

location is within the geographic boundaries of a metropolitan statistical area with a population greater than one million persons, in which case the Protected Area will be a one-half-mile radius of your Restaurant. If you sign a Franchise Agreement pursuant to a Development Agreement, your Protected Area under that Franchise Agreement will not, in any event, extend beyond the boundaries of your Development Territory.

Continuation of your Protected Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. There are no circumstances that would permit us to modify your territory rights during the term of the Franchise Agreement, but we may modify your Protected Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign a Development Agreement or another Franchise Agreement with us.

You must operate the Restaurant only at the Location. You cannot relocate the Restaurant without our consent. If you lose possession of the Location through no fault of your own, you may apply to us for our approval to relocate the Restaurant. You must relocate to another site in the Protected Area.

You may conduct delivery services as we authorize. You may not conduct delivery services outside of a ten-mile radius of the Restaurant or within the Protected Area of another Boston's Restaurant without our prior, written consent. You may not solicit delivery orders outside of your Protected Area, including through other channels of distribution, such as the Internet, third-party delivery companies, catalog sales, telemarketing, or other direct marketing, without our prior written consent. You may conduct authorized catering services without any radius or area limitation, except that you may not conduct catering services in the Protected Area of another Boston's Restaurant without our prior written consent.

We retain all other rights. Among other things, this means we can, without compensation to you:

(1) Operate and license others to operate Boston's Restaurants and non-traditional "Quick Express Units" (as defined below) at any location outside the Protected Area and in any Reserved Area (as defined below);

(2) Subject to your right of first refusal, operate and license others to operate Quick Express Units within the Protected Area. If we propose to establish a Quick Express Unit within the Protected Area during the term of your Franchise Agreement and provided that you and your subsidiaries are in compliance with the Franchise Agreement and all other agreements with us or our affiliates, we will notify you in writing and will grant you a right of first refusal to execute a franchise agreement for any such Quick Express Unit upon the terms and conditions that we are then generally offering to similarly situated franchisees. You must exercise your right of first refusal (if at all) within 30 days after you receive our written notice by a written election addressed to us. However, we may specify a shorter period for your election if the person or entity which controls the proposed site has requested proposals for a food service facility to be located at such site and the deadline for such request will expire prior to the standard 30-day election period. Your failure to respond within the election period specified in our notice will be deemed to be an election not to exercise your right of first refusal.

(3) Within and outside the Protected Area:

(a) Develop, establish and offer franchises or licenses for businesses operating under other systems (including systems that distribute products or services similar to those offered at Boston's Restaurants) using names or marks other than the Proprietary Marks;

(b) Advertise and promote Boston's Restaurants and the System; and

(c) Except for the restriction against the establishment of Boston's Restaurants in the Protected Area during the term of the Franchise Agreement, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, and other services and products, under the Proprietary Marks or under other names or marks, regardless of competitive impact (i) through any method or channel of distribution, other than a Boston's Restaurant, including, but not limited to, through grocery stores, supermarkets, convenience stores, hotel shops and kiosks, theatres, malls, gas stations, mail order catalogs, and the Internet, and (ii) at special events.

(4) Engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Area, provided that in such situations the newly acquired businesses may not operate under the trademarks in the Protected Area.

"Reserved Areas" refers to locations in which customers will primarily be drawn from an enclosed or limited facility, including, for example, sports facilities and arenas, entertainment facilities, amusement parks, auditoriums, airports, hotels, office buildings, public transportation facilities, military bases and government facilities, college campuses, shopping malls (including food courts), grocery stores and supermarkets, hospitals, and other similar facilities and locations. A non-traditional "Quick Express Unit" is a Boston's The Gourmet Pizza Restaurant & Sports Bar<sup>®</sup> restaurant operating under the System and the Proprietary Marks which offers a limited menu and/or limited service (rather than full service).

We do not operate or franchise the operation of any Restaurants providing products or services under different trade names or trademarks similar to or competitive with those to be offered by you. However, the Franchise Agreement contains no limitations other than as stated above on our right to establish other franchises or outlets or to offer products and services in other channels of distribution without any compensation to you.

If you have not fully complied with your obligations under the Franchise Agreement, we may compete or give others the right to compete in your Protected Area.

## **Development Agreement**

If you sign a Development Agreement, we grant you a territory ("Development Territory"). We determine the Development Territory before you sign the Development Agreement based on various market and economic factors like market demographics, the penetration of Boston's Restaurants and similar businesses in the market, the availability of appropriate sites and growth trends in the market. The Development Territory may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in Attachment A to the Development Agreement.

You must develop Restaurants in the Development Territory under the Development Schedule in Attachment B of the Development Agreement. You and we will agree to the Development Schedule before signing the Development Agreement. If you stop operating any Restaurant during the term of the Development Agreement, you must develop a replacement Restaurant within a reasonable time (not to exceed 210 days) after you stop operating the original Restaurant. If you transfer your interest in a Restaurant during the term of the Development Agreement, in compliance with the related Franchise Agreement for the Restaurant, the transferred Restaurant will continue to be counted in determining whether you have complied with the Development Schedule, unless the transferred Restaurant is no longer operated as a replacement Restaurant within a reasonable time (not to exceed 210 days) after the transferred Restaurant ceases to be operated as a Boston's The Gourmet Pizza Restaurant & Sports Bar<sup>®</sup> restaurant and pay the full initial franchise fee for such replacement Restaurant.

If you comply with the Development Agreement and all other agreements that you or your subsidiaries have with us or our affiliates, then we and our affiliates will not establish, or authorize anyone except you to establish, a Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurant in the Territory during the term of the Development Agreement.

We retain all other rights. Among other things, this means we can conduct activities in the Territory like those described above in relation to the Protected Area.

If you fail to comply with the Development Schedule, or otherwise materially default under the Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce the area of territorial rights, or reduce the number of Restaurants that you may establish. When the Development Agreement expires or is terminated, you cannot develop additional Restaurants in the Development Territory (but may complete development of and/or operate Restaurants under then existing Franchise Agreements) and we may develop or authorize others to develop, Boston's The Gourmet Pizza Restaurant & Sports Bar® restaurants in the Development Territory and exercise all rights not expressly granted to you under your Franchise Agreements.


Except as described above, continuation of any territorial exclusivity does not depend on the achievement of a certain sales volume, market penetration, or other contingency and we may not alter your Development Territory.

You may only use the Internet to advertise on our System website in compliance with the Franchise Agreement and Manuals.

### ITEM 13 TRADEMARKS



The Franchise Agreement grants you the right and license to operate a Restaurant using its System and duly licensed Proprietary Marks.

Our affiliate has registrations with the U.S. Patent and Trademark Office (“USPTO”) for the following Proprietary Marks:

Trademark	Registration Number	Date of Registration	Register
BOSTON'S THE GOURMET PIZZA RESTAURANT & SPORTS BAR	2,865,473	July 20, 2004	Principal
BOSTON'S THE GOURMET PIZZA	1,838,006	May 31, 1994	Principal
BOSTON'S THE GOURMET PIZZA	3,038,094	January 3, 2006	Principal
BOSTON'S THE GOURMET PIZZA & Design 	2,551,390	March 26, 2002	Principal

Trademark	Registration Number	Date of Registration	Register
PASTA TUESDAY	2,973,711	July 19, 2005	Principal
MAMA MEATA	2,955,801	May 24, 2005	Principal
MAMA MEATA	3,142,865	September 12, 2006	Principal
MAMA MEATA	3,199,317	January 16, 2007	Principal
BOSTON'S THE GOURMET PIZZA & Design 	3,038,095	January 3, 2006	Principal
BOSTON'S THE GOURMET PIZZA & Design 	5,174,571	April 4, 2017	Principal
BP & Design 	4,927,846	March 29, 2016	Principal
BOSTON'S THE GOURMET PIZZA	5,174,590	April 4, 2017	Principal
 <b>Boston's</b> THE GOURMET <b>Pizza</b> RESTAURANT & SPORTS BAR	5,667,062	January 29, 2019	Principal
 <b>Boston's</b> THE GOURMET <b>Pizza</b>	5,667,048	January 29, 2019	Principal
WE'LL MAKE YOU A FAN.	5,667,047	January 29, 2019	Principal



Trademark	Registration Number	Date of Registration	Register
BP BOSTON'S THE GOURMET PIZZA & Design (Horizontal) 	6,034,075	April 14, 2020	Principal
BP BOSTON'S THE GOURMET PIZZA WE'LL MAKE YOU A FAN. & Design (Horizontal) 	6,034,088	April 14, 2020	Principal

TPI is the exclusive owner of the Proprietary Marks in the United States. TPI has licensed us the right to use and license others to use the Proprietary Marks in the United States under a license agreement. The license agreement automatically renews on an annual basis, subject to the parties' rights to otherwise terminate. The license agreement may also be terminated if, among other things, we fail to comply with any of its material provisions or experience certain bankruptcy-related events. On termination or expiration of the license agreement, we must discontinue use of the Proprietary Marks, and, on TPI's election, our franchise agreements will be transferred to TPI.

You must use all names and marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules prescribed by us. You are prohibited from using any name or mark as a part of any corporate name with any prefix, suffix or other modifying words, terms, designs or symbols. In addition, you may not use any name or mark in the sale of any unauthorized product or service in any other manner not explicitly authorized in writing by TPI or us.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceeding or material litigation involving the Proprietary Marks. All required affidavits and renewals have been filed.

Except for the license agreement between TPI and us, there are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to you.

If there is any infringement of, or challenge to, your use of any name, mark or symbol, you are obligated to immediately notify us, and we will have sole discretion to take any action it deems appropriate in order to preserve and protect the ownership, identity and validity of the Proprietary Marks and the right to control exclusively any litigation, trademark office proceeding or any other administrative proceeding arising out of any infringement, challenge, claim or otherwise relating to any Proprietary Marks. If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any name or mark and/or use one or more additional or substitute names or marks, you must pay the tangible costs (including replacing signs and materials) associated with the change.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, TPI or us, our ownership, title, right or interest in the name or marks, trade secrets, methods, procedures and advertising techniques which are a part of the System or contest our right to register, use or license others to use the names, marks, trade secrets, methods, procedures or techniques.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Proprietary Mark and/or use one or more additional or substitute trademarks or

service marks, you must comply with our directions promptly after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Proprietary Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks.

#### **ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Neither we nor TPI claim rights in or licenses to any patents that are material to our business; however, TPI claims proprietary rights and common law copyrights to the confidential information contained in the Manuals. There are no pending patent applications that are material to the franchise. We are licensed by TPI to use such intellectual property. The Manuals and other proprietary materials, and information we deem to be confidential (“Confidential Information”) have not been registered with any copyright office. You must promptly inform us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we deem appropriate. We will not indemnify you for losses brought by a third party concerning your use of the Confidential Information.

Our Confidential Information includes trade secrets and you and your employees must maintain the confidentiality of our Confidential Information. You and your Principal Owners must also agree not to communicate or use our Confidential Information for the benefit of anyone else during and after the term of Franchise Agreement and, if applicable, Development Agreement. You and your Principal Owners must also agree not to use our Confidential Information at all after those Agreements terminate or expire. You and your Principal Owners can provide access to Confidential Information only to your employees who need it to operate the Boston’s The Gourmet Pizza Restaurant & Sports Bar®. You must have your General Manager and, if we request, any owner who does not sign as a Principal Owner and any other Managers or personnel who have access to our Confidential Information, sign similar confidentiality covenants.

You agree to notify us promptly of any apparent infringement of or challenge to your use of any Proprietary Mark and of any claim by any person of any rights in any Proprietary Mark. You and your owners shall not communicate with any person other than us, our affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We and our affiliates will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Proprietary Mark and the exclusive right to control any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, be reasonably necessary or advisable to protect and maintain our or our affiliates’ interests in the Proprietary Marks.

There are no effective determinations of the United States Copyright Office or any court regarding any copyrighted works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the copyrighted works that will or may significantly limit using our copyrighted works.

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

The Franchise Agreement provides that at all times after the date of the opening of the Restaurant, the Restaurant must be under the direct, on-premises supervision of your operating principal (“Operating Principal”), who is a principal owner (“Principal Owner”). A Principal Owners owns at least a 10% ownership interest in you and is designated by you and approved by us. Your Operating Principal must attend and successfully complete the initial training program. The Operating Principal must also be responsible for overseeing the operation of the Restaurant and will be the person designated by you with whom we may conduct all communications.

You must also have at all times a salaried, full-time general manager (“General Manager”) who will work on a full-time basis in the management and operation of the Restaurant and who will be the full-time General Manager of the Restaurant on a day-to-day basis. The General Manager must also have successfully completed the initial training program. In addition, you must also have a salaried, full-time kitchen manager (“Kitchen Manager”) who will work on a full-time basis at the Restaurant as your Kitchen Manager and who will have successfully completed the initial training program. The Operating Principal and the General Manager may be the same person if the person meets all requirements of both positions. Your General Manager is strongly encouraged to hold an equity position within the Restaurant of at least 10%.

We will not unreasonably withhold approval of whom you can hire as a Manager. You may replace any Manager without receiving our prior written approval, provided that the proposed replacement Manager successfully completes the initial training program within the time specified by us. We reserve the right to charge its then-current standard training fee to you for training any proposed replacement Manager. If there is a resignation, termination, incapacity or death of any Operating Principal or General Manager, you will have a period of 30 days to complete arrangements for a replacement who successfully completes training within 60 days following date of hire and is otherwise reasonably acceptable to us.

Any Manager and, if you are an entity, an officer that does not directly or indirectly own equity in the franchisee entity must sign the “System Protection Agreement,” the form of which is attached to this Disclosure Document in Exhibit I-2. We reserve the right to require that all Managers sign a confidentiality agreement. Your Principal Owners, who individually or collectively own a controlling interest in the franchise, must sign an Owners’ Guaranty and Assumption Agreement in the form attached as Attachment C to the Franchise Agreement and/or attached as Attachment E to the Development Agreement.

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

The Franchise Agreement provides that you must offer, and may only offer, the products and services that we authorize in the Manuals, as they may be updated or otherwise changed in writing. You are prohibited from offering or selling products and services not authorized by us. In addition, you are prohibited from: (i) engaging the services of live music bands, bouncers, disc jockeys or the like, (ii) assessing a cover charge or entrance fee to any guest; or (iii) engaging in any activity which is not in compliance with the franchise system, without our prior written consent. We reserve the right to change the types of authorized services and products. You must participate in our gift card program. You are prohibited from soliciting other franchisees either directly or indirectly for any other business or investment activity. There are no limitations imposed by us on the persons or businesses to whom you may provide products and services, except limits that are imposed by the law or nature of the System itself.

**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.**

**Franchise Agreement**

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section IV.A.	The term of the Franchise Agreement is ten years.
b. Renewal or extension of the term	Section IV.B.	You may renew for two additional consecutive 5-year terms.
c. Requirements for franchisee to renew or extend	Section IV.B.	Your renewal rights permit you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this Disclosure Document.  Other conditions include: Give written notice; update required items; not be in default; pay all money owed; retain right to Location; pay us a renewal fee; execute general release (See <a href="#">Exhibit I-1</a> ); comply with then-current qualifications and training requirements; and renovate your Restaurant to reflect all current brand standards, trademarks, signage, and interior trade dress.
d. Termination by franchisee	None except as may be permitted under applicable law.	Not applicable.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section XVIII.	We can only terminate you if you default.
g. "Cause" defined - curable defaults	Section XVIII.C.	For any default except those specified non-curable you, have 5 days to cure a failure to submit a required report or pay monies; 24 hours for misuse of Proprietary Marks; 7 days if you fail to obtain the required insurance coverages; ten days if you fail to obtain execution of required confidentiality covenants; ten days if you fail to comply with the noncompetition covenants; and 30 days to cure any other curable default under the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - non-curable defaults	Sections XVIII.A. and XVIII.B.	We may terminate the Franchise Agreement immediately if you become insolvent or on an insolvency event (such as the judicial sale of assets), file for bankruptcy, make a general assignment for benefit of creditors, go into receivership, a final judgment or lien against your business or property remains unsatisfied for 30 days or longer, We may also terminate the Franchise Agreement immediately if you commit a default listed in Section XVIII including: operation of Restaurant at location that we have not accepted; failure to obtain acceptance of proposed site or acquire Location, to construct or remodel in accordance with prototypical plans; to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program; three defaults under the Agreement within any 12-month consecutive period, violation of any anti-terrorism laws, default of any other franchise agreement with us and failure to cure.
i. Franchisee's obligations on termination/non-renewal	Section XIX.	Stop operating the Restaurant; stop using the Marks and stop using and return any confidential System information; complete de-identification; cancel assumed name registrations; pay all amounts due; pay our enforcement costs; return all Confidential Information to us; comply with confidentiality and noncompetition covenants; at our option, assign (without compensation) your leases and your rights in your telephone numbers Internet websites, and business listings and/or sell to us any or all of the assets related to the operation of the Restaurant at fair market value.
j. Assignment of contract by franchisor	Section XV.A.	We may transfer the Franchise Agreement or any of our rights without restriction.
k. "Transfer" by franchisee – defined	Section XV.B.	You and your Principal Owners cannot transfer cannot sell, assign, transfer, convey, give away, or otherwise dispose of any interest in the Franchise Agreement, the Location, or you that effects a change in control without our consent. Transfers by an owner with less than 10% interest require notice, that the incoming owner meet our requirements, and may not result in a sale to a competitor or the aggregate sale of controlling interest.
l. Franchisor approval of transfer by franchisee	Sections XV.B. and XV.C.	You must obtain our consent and comply with certain conditions before transferring any interest.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Sections XV.B. and XV.C.	Pay all amounts due; not be in default; execute a general release (see <a href="#">Exhibit I-1</a> ); pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guarantee obligations; enter into then-current franchise agreement and upgrade the Restaurant. Transfers by Non-Controlling Principals and for the Convenience of Ownership have less conditions.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XV.D.	We have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Section XIX.B.	Upon termination or expiration, we have the option to purchase your advertising materials bearing the Proprietary Marks at your cost. We have the option to purchase the furnishings, equipment, signs, fixtures, supplies, materials and other assets, at fair market value, and, if you own the land where the Restaurant is located, we have the option to lease the land (and any building on the land used for the operation of the Restaurant), for fair market value. We have the option to have the lease for the premises of the Location assigned to us.
p. Death or disability of franchisee	Section XV.E.	The license must be transferred to someone approved by us within six months after death or six months after notice of permanent disability.
q. Non-competition covenants during the term of the franchise	Section XI.C.(1).	You must have no involvement in competing business within the United States, its territories or commonwealths, or any other country, province, state or geographic area. (Subject to state law.)
r. Non-competition covenants after the franchise is terminated or expires	Section XI.C.(2).	You must have no involvement in competing business for two years within ten miles of your Restaurant or any other Restaurant which is in existence or under construction on the date of expiration or termination of the Franchise Agreement. (Subject to state law.)
s. Modification of agreement	Section XX.O.	Modification only upon written agreement of the parties.
t. Integration/merger clause	Section XX.Z.	Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises outside of this Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation		Unresolvable disputes are submitted to mediation. (Subject to state law.)
v. Choice of forum	XX.F.	Litigation must be in Dallas, Texas (subject to state law), except as disclosed in the state addenda to the Disclosure Document. (Note 1)
w. Choice of law	Sections XX.G.	Texas law applies (subject to state law), except as disclosed in the state addenda to the Disclosure Document.

## Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section V.	The completion of your development obligations or midnight on the last day of the Development Schedule, whichever is first.
b. Renewal or extension of the term	Not applicable.	Development Agreements are not renewed.
c. Requirements for franchisee to renew or extend	Not applicable.	In our sole discretion.
d. Termination by franchisee	None except as may be permitted under applicable law.	Not applicable.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section IX.	We can terminate you only if you are in default.
g. "Cause" defined - curable defaults	Section IX.C.	For any default except those specified non-curable you, have 5 days to cure a failure to pay amounts owed, ten days to cure a failure to obtain signed confidentiality agreements or breach of your non-competition covenant, 24 hours to cure any unlawful use of the Marks, 30 days to appoint a replacement Operating Principal, 60 days to appoint a replacement Manager, 60 days to cure any non-specified curable defaults.
h. "Cause" defined - non-curable defaults	Section IX.B.	We may terminate the Developer Agreement immediately if you become insolvent or on an insolvency event (such as the judicial sale of assets), file for bankruptcy, make a general assignment for benefit of creditors, go into receivership, a final judgment or lien against your business or property remains unsatisfied for 30 days or longer. We may also terminate the Developer Agreement immediately if you: fail to comply with Development Schedule, or any Owner is convicted of a crime, or any Owner transfer any rights without our consent, if you divulge any Confidential Information, if you commit three or more events of default within 12 consecutive months, if you violate any anti-terrorism laws.
i. Franchisee's obligations on termination/non-renewal	Section IX.F.	Comply with confidentiality and non-competition covenants, pay amounts owed and enforcement costs.
j. Assignment of contract by franchisor	Section X.A.	We may transfer the Development Agreement or any of our rights without restriction.
k. "Transfer" by franchisee – defined	Section. X.B.	You must obtain our consent and comply with certain conditions before transferring any interest that effects a change in control.
l. Franchisor approval of transfer by franchisee	Section X.C.	We must approve all assignments of franchise rights to a subsidiary before the transfer.

Provision	Section in Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Section X.B.(1).	Must satisfy the then-current standards for owners of a Boston's Restaurant and requires execution of an Owners' Guaranty and Assumption Agreement or Principal's Undertaking
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable.	Not applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable.	Not applicable
p. Death or disability of franchisee	Not Applicable.	Not applicable
q. Non-competition covenants during the term of the franchise	Section XI.B.(1).	No involvement in competing business within the Development Territory or within ten miles of any Restaurant which is in existence or under construction. (Subject to state law.)
r. Non-competition covenants after the franchise is terminated or expires	Section XI.B.(2).	No involvement in competing business for two years within the Development Territory or within ten miles from the location of any Restaurant which is in existence or under construction on the date of expiration or termination of the Development Agreement. (Subject to state law.)
s. Modification of agreement	Section XIV.N.	Modifications only upon written agreement of the parties.
t. Integration/merger clause	Section XIV.X.	The Development Agreement and its attachments constitute the entire agreement between the parties. Any representations or promises outside of this Disclosure Document, the Franchise Agreement or the Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIV.E.	Unresolvable disputes are submitted to mediation. (Subject to state law.)
v. Choice of forum	Section XIV.F.	Litigation must be in Dallas, Texas (subject to state law).
w. Choice of law	Section XIV.G.I	Texas law applies (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 that you are considering buying; or (2) a franchisor supplements the information provided in Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.



As of December 31, 2020, we had 21 franchised Restaurants (“Franchised Locations”) and one affiliate-owned Restaurant (“Affiliate Location”). The tables below provide information for the 17 Franchised Locations and one Affiliate Location which were open at least 12 months as of December 31, 2020 (“Reporting Group”). We have excluded the results of four Franchised Locations that were not in operation a full 12 months as of December 31, 2020. We have also excluded the results of two Franchised Locations which closed during the 2020 calendar year (these locations are not included in the total number of Franchised Locations above because they closed prior to December 31, 2020).

The information in the tables below is a historical financial performance representation for the Reporting Group for the 2019 and 2020 calendar years (each a “Reporting Period”). The financial information was prepared from internal accounting records and reports. The numbers have not been audited but we have no reason to doubt their accuracy.

The Affiliate Location does not currently pay Royalty Fees, which a franchised Boston’s Restaurant will have to pay. The Boston’s Restaurants included in this financial performance representation offer similar services and face a similar degree of competition anticipated for the Boston’s Restaurants offered under this Disclosure Document.

Table 1

The information provided in Tables 1A and 1B below consist of the actual performance of the Franchised Locations and Affiliate Location in the Reporting Group during the 2019 and 2020 Reporting Periods. Beginning in March 2020, Boston’s Restaurants were impacted by government health and other mandates resulting from COVID-19, which included limits to hours of operation, limitations on numbers of guests and seating arrangement, and temporary store closures. We have compared results from 2019 to 2020 to show the impact these government restrictions had on operating results and to show improving results during the second half of 2020.

**Table 1A**  
**Gross Sales by Month for the Franchised Locations in the Reporting Group**  
**During the 2019 and 2020 Reporting Periods**

<b>January</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$204,821	\$181,993	\$409,414	\$117,364	7	41.2%
<b>2020</b>	\$210,005	\$185,620	\$375,572	\$112,095	6	35.3%
<b>February</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$200,307	\$203,568	\$370,316	\$113,271	9	52.9%
<b>2020</b>	\$212,616	\$193,423	\$356,530	\$109,287	6	35.3%

<b>March</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$253,885	\$235,271	\$450,638	\$135,977	7	41.2%
<b>2020</b>	\$121,263	\$113,990	\$205,243	\$70,173	8	47.1%
<b>April</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$213,347	\$207,251	\$359,190	\$127,820	8	47.1%
<b>2020</b>	\$31,667	\$26,878	\$97,790	\$0	8	47.1%
<b>May</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$229,664	\$216,947	\$399,375	\$116,680	7	41.2%
<b>2020</b>	\$79,183	\$53,977	\$245,020	\$0	7	41.2%
<b>June</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$222,042	\$223,093	\$370,302	\$117,191	9	52.9%
<b>2020</b>	\$159,395	\$132,082	\$386,337	\$0	7	41.2%
<b>July</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$210,555	\$208,944	\$347,288	\$112,811	8	47.1%
<b>2020</b>	\$171,060	\$134,135	\$393,573	\$26,109	7	41.2%
<b>August</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
<b>2019</b>	\$220,426	\$208,133	\$390,875	\$109,478	7	41.2%
<b>2020</b>	\$194,171	\$150,833	\$517,705	\$63,235	7	41.2%

September	Average Gross Sales	Median Gross Sales	High Gross Sales	Low Gross Sales	Number that Met/Exceed Average	% that Met/Exceed Average
2019	\$209,559	\$195,222	\$380,586	\$109,096	8	47.1%
2020	\$191,922	\$149,830	\$549,617	\$58,274	7	41.2%
October	Average Gross Sales	Median Gross Sales	High Gross Sales	Low Gross Sales	Number that Met/Exceed Average	% that Met/Exceed Average
2019	\$226,835	\$229,120	\$402,960	\$128,069	8	47.1%
2020	\$202,011	\$163,228	\$573,380	\$67,272	7	41.2%
November	Average Gross Sales	Median Gross Sales	High Gross Sales	Low Gross Sales	Number that Met/Exceed Average	% that Met/Exceed Average
2019	\$216,594	\$215,832	\$384,251	\$100,227	8	47.1%
2020	\$142,710	\$124,026	\$425,004	\$59,608	6	35.3%
December	Average Gross Sales	Median Gross Sales	High Gross Sales	Low Gross Sales	Number that Met/Exceed Average	% that Met/Exceed Average
2019	\$217,454	\$194,410	\$365,063	\$100,377	7	41.2%
2020	\$117,056	\$123,132	\$256,478	\$0	9	52.9%

**Table 1B**  
**Gross Sales by Month for the Affiliate Location in the Reporting Group**  
**During the 2019 and 2020 Reporting Periods**

	2019	2020
January	\$225,806	\$196,995
February	\$222,138	\$195,273
March	\$283,211	\$107,934
April	\$237,387	\$0
May	\$261,550	\$30,500
June	\$231,858	\$105,221

	2019	2020
<b>July</b>	\$226,512	\$103,055
<b>August</b>	\$209,410	\$153,394
<b>September</b>	\$209,693	\$180,257
<b>October</b>	\$220,988	\$183,366
<b>November</b>	\$224,345	\$143,822
<b>December</b>	\$223,285	\$153,722

Notes to Tables 1A and 1B:

1. **“Gross Sales”** is defined as all sales generated through the Restaurant including fees for any products or goods sold by you, whether for cash or credit (regardless of collectability, except as provided below), and income or revenue of every kind or nature related to the Restaurant, including, without limitation, without limitation, revenue that in any manner at all arises from or is derived by you or by any other business conducted or which originates in, on, from or through the site or the Restaurant, all revenues from the catering business, special events or other revenue derived from the utilization of the Marks and/or confidential or proprietary information licenses under the Franchise Agreement, the sale of branded merchandise and food and beverage products sold within any hotel or Restaurant, whether or not the food is prepared at the Restaurant and whether or not the orders are taken or filled at the Restaurant, including room service, banquet service, take-out and delivery, pool-side service, bar service, and any other food or beverage service of any kind or character, and from the use of jukeboxes, vending machines, video games, pinball machines or similar arcade-like machines, and from video lottery terminals where permitted by law; provided, however, that “Gross Sales” shall not include any sales tax or other taxes collected from customers and transmitted by you to the appropriate taxing authority. Gross Sales includes the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; provided, that at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price thereof may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. When calculating Gross Sales, you may deduct that portion of the normal full menu price of any item that is not collected by you as a result of promotions approved by us (whether local or system-wide, including coupons) and manager discounts, as well as discounted employee meals. Sales Discounts and discounted employee meals must be fully disclosed on all reports submitted to us by you and we reserve the right, in our sole discretion, to disallow any Sales Discounts not meeting our requirements. Sales Discounts and discounted employee meals each may not exceed two and one-half percent (2.5%) of Gross Sales (as calculated prior to the deduction for Sales Discounts and discounted employee meals).
2. The financial performance representations in Tables 1A and 1B do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

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

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

Other than the preceding financial performance representation, we do not make any representation 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 Rick Lauro, Vice President of Finance, at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, 972-484-9022, or lauror@bostons.com, the Federal Trade Commission and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary  
For Years 2018 - 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	22	21	-1
	2019	21	19	-2
	2020	19	21	+2
Company-Owned*	2018	3	2	-1
	2019	2	1	-1
	2020	1	1	0
Total Outlets	2018	25	23	-2
	2019	23	20	-3
	2020	20	22	+2

\*Owned and operated by our affiliate BPR USA.

Table No. 2

Transfers from Franchisees to New Owners (other than the Franchisor)  
For Years 2018 - 2020

State	Year	Number of Transfers
Arizona	2018	0
	2019	0
	2020	1
Totals	2018	0
	2019	0
	2020	1

Table No. 3

Status of Franchised Outlets  
For Years 2018 - 2020

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Arkansas	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
California	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
Colorado	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Florida	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	1	0	0
	2020	0	0	0	0	0	0	0
Indiana	2018	0	1	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
Maryland	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Michigan	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Minnesota	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Montana	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Dakota	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Ohio	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Texas	2018	1	0	1	0	0	0	0
	2019	0	2	0	0	0	0	2
	2020	2	1	0	0	0	0	3
Utah	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	1	0	0	0
Washington	2018	4	0	0	0	0	0	4
	2019	4	0	3	0	0	0	1
	2020	1	2	0	0	0	0	3
Wisconsin	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Totals	2018	22	1	2	0	0	0	21
	2019	21	3	4	0	1	0	19
	2020	19	4	0	1	0	1	21

Table No. 4

Status of Company-Owned Outlets  
For Years 2018 - 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2018	0	0	0	0	0	0
	2019	0	0	1	0	0	1
	2020	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Indiana	2018	1	0	0	0	1	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
Texas	2018	2	0	0	0	0	2
	2019	2	0	0	0	2	0
	2020	0	0	0	0	0	0
Totals*	2018	3	0	0	0	1	2
	2019	2	0	1	0	2	1
	2020	1	0	0	0	0	1

\*Owned and operated by our affiliate BPR USA.

Table No. 5

Projected Openings as of  
December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
Colorado	1	1	0
Georgia	1	1	0
Louisiana	1	1	0
Texas	0	1	0
Total	4	5	0

The name, business address, and business telephone number of each current franchisee as of December 31, 2020 is listed in Exhibit D.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a Restaurant terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within ten weeks of the date of issuance of this Disclosure Document is listed in Exhibit D.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.



## Confidentiality Clauses

In some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experience with the Boston's The Gourmet Pizza Restaurant & Sports Bar® franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three years, we have had franchisees sign confidentiality provisions restricting their ability to speak openly about their experience with Boston's The Gourmet Pizza Restaurant & Sports Bar® franchise system. These confidentiality provisions are all related to the details in Item 3.

## Trademark-Specific Franchisee Organizations

As of the date of this Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent trademark-specific franchisee organizations have asked to be included in this Disclosure Document.

## ITEM 21 FINANCIAL STATEMENTS

The following financial statements are attached to this Disclosure Document as Exhibit C: unaudited financial statements as of March 31, 2021; and audited financial statements as of December 31, 2020, December 31, 2019 and December 31, 2018. Our fiscal year end is December 31.

## ITEM 22 CONTRACTS

Copies of the Franchise Agreement and the Development Agreement are attached to this Disclosure Document as Exhibit A and Exhibit B, respectively.

The following agreements are attachments to the Franchise Agreement: Owners' Guaranty and Assumption Agreement; Principal's Undertaking; Confidentiality and Noncompetition Agreement; BostonLink Agreement; Site Selection Addendum, and POS Support Services Agreement.

The following agreements are attachments to the Development Agreement: Owners' Guaranty and Assumption Agreement; Principal's Undertaking; and Confidentiality and Noncompetition Agreement.

## ITEM 23 RECEIPTS

Exhibit K to this Disclosure Document contains two Receipt pages to acknowledge your receipt of this Disclosure Document. The first copy is for your records and the second copy must be signed, dated and returned to us.

**EXHIBIT A**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**FRANCHISE AGREEMENT**

**EXHIBIT A**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

**Location:**  
**License/FA Ref.:**  
**Entity Name:**  
**Effective Date:**

**BOSTON PIZZA RESTAURANTS, LP**  
**FRANCHISE AGREEMENT**

**BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT**

**TABLE OF CONTENTS**

<u>Section</u>	<u>Page</u>
I. DEFINITIONS.....	1
II. GRANT.....	5
III. FRANCHISE LOCATION, CONSTRUCTION AND OPENING DATE .....	7
IV. TERM AND RENEWAL.....	8
V. FEES .....	9
VI. OUR OBLIGATIONS .....	11
VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS .....	12
VIII. RESTAURANT OPERATIONS .....	15
IX. ADVERTISING.....	21
X. MARKS .....	24
XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS .....	25
XII. BOOKS AND RECORDS.....	28
XIII. INSURANCE.....	29
XIV. DEBTS AND TAXES .....	30
XV. TRANSFER .....	31
XVI. INDEMNIFICATION.....	34
XVII. INDEPENDENT CONTRACTOR.....	35
XVIII. TERMINATION.....	35
XIX. POST-TERMINATION.....	38
XX. MISCELLANEOUS .....	41

**ATTACHMENTS:**

- Attachment A Location, Protected Area, Opening Date and Refurbishment Date
- Attachment B Ownership Schedule
- Attachment C Owners' Guaranty and Assumption Agreement
- Attachment D Principal's Undertaking
- Attachment E Confidentiality and Noncompetition Agreement
- Attachment F BostonLink Agreement
- Attachment G POS Support Services Agreement
- Attachment H Electronic Funds Transfer Authorization Agreements

**SITE SELECTION ADDENDUM**

**STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS**



**BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT**

**THIS AGREEMENT** is made and entered into on \_\_\_\_\_ (the “Effective Date”), by and between **Boston Pizza Restaurants, LP**, a limited partnership formed under the laws of the State of Delaware, whose principal place of business is 14850 Quorum Drive, Suite 201, Dallas, Texas 75254 (“Franchisor,” “we,” “us,” or “our”) and **[Insert Name of Franchisee]** a **[Insert Type of Entity and Organizational Jurisdiction]**, with a current address of **[Insert Address]** (“Franchisee,” “you,” or “your”).

**RECITALS:**

We have the exclusive right in the United States to use and license the use of a business system (the “System,” as further defined below) for the establishment and operation of facilities that combine, in one location, a sports bar and a restaurant specializing in the sale of gourmet pizza and pasta dishes and a variety of appetizers, fresh salads, side items, and desserts in a full service, casual dining environment (each, a “Boston’s Restaurant” or “Restaurant”).

Boston’s Restaurants operate under the System and are identified by the trade name and service mark “Boston’s The Gourmet Pizza Restaurant & Sports Bar®” and other trade names, service marks, trademarks, logos, and indicia of origin that we authorize in writing (the “Marks,” as defined below).

You wish to obtain a franchise to establish and operate a Boston’s Restaurant using the Marks and the System at the Franchise Location (defined below) specified in Attachment A to this Agreement (the “Franchised Business”).

We are willing to grant you a franchise upon the terms and conditions set forth in this Agreement in reliance on your representations made in the application and in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

**I. DEFINITIONS**

“Advertising Assessment” means the aggregate amount Franchisee must spend for advertising pursuant to Section IX.B. of this Agreement.

“Advertising Fund” or “Fund” means the advertising fund described in Section IX.E.

“Advertising Fund Contribution” has the meaning given to it in Section IX.B.

“Affiliate” or “Affiliates” of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

“Anti-Terrorism Laws” means the lists of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>), Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title

31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

“Applicable Law” means and includes all applicable common law and federal, state and local statutes, laws, rules, regulations, ordinances and orders, including, without limitation, those governing the development, construction and/or operation of the Restaurants, as in effect on the Effective Date of this Agreement, and as may be enacted, modified or amended from time to time thereafter.

“Boston’s Website” means the Internet website we own and control that provides information about the System and Boston’s Restaurants and any successor website.

“BPR” or “Boston’s” means Boston Pizza Restaurants, LP, the Franchisor of this agreement.

“BPR Group” means BPR (USA) Group Marketing Fund, Inc., our Affiliate that currently directs the U.S. marketing and promotional programs, including the Advertising Fund, for Boston’s Restaurants, and any successor.

“Business Day” means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

“Competitor” or “Competitive Business” means any business that is the same as or substantially similar to a Boston’s Restaurant, including any sports bar and grill, or comparable casual dining facility with multiple televisions, which offers, alone or with other food options, pizza and/or pasta dishes.

“Computer System” means the computer hardware and software (including, without limitation, any point of sale system) and cash registers that we may designate from time to time for use in the operation of Boston’s Restaurants.

“Confidential Information” means all proprietary and confidential information relating to the establishment and operation of a Boston’s Restaurant, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications; (ii) site selection criteria; (iii) recipes; (iv) advertising and marketing plans and programs; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals; (vii) knowledge of the operating and financial results of Boston’s Restaurants other than your Restaurant; (viii) computer programs and systems, including electronic data files and passwords, and (ix) Improvements.

“Control” or “Controlling Interest” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Cooperative” means an advertising cooperative, as described in Section IX.D. of this Agreement.

“Development Agreement” means that certain development agreement between Franchisor and Franchisee or its parent as “Developer” dated \_\_\_\_\_.

“Development Fee” has the meaning given to it in Section III.A. of the Development Agreement.

“Development Fee Credit” has the meaning given to it in Section III.A. of the Development Agreement.

“Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, war, acts of terrorism, riot, epidemic, fire or other catastrophe or other forces which are beyond a party’s control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event.

“Franchise Location” means the address of the premises at which the Restaurant is located, as listed in Attachment A to this Agreement.

“Gross Sales” is defined as all sales generated through the Franchised Business including fees for any products or goods sold by Franchisee, whether for cash or credit (regardless of collectability, except as provided below), and income or revenue of every kind or nature related to the Franchised Business/Restaurant, including, without limitation, revenue that in any manner at all arises from or is derived by you or by any other business conducted or which originates in, on, from or through the site or the Franchised Business/Restaurant, all revenues from the catering business, special events or other revenue derived from the utilization of the Marks and/or confidential or proprietary information licenses under the Franchise Agreement, the sale of branded merchandise and food and beverage products sold within any hotel or Franchised Business/Restaurant, whether or not the food is prepared at the Franchised Business/Restaurant and whether or not the orders are taken or filled at the Franchised Business/Restaurant, including room service, banquet service, take-out and delivery, pool-side service, bar service, and any other food or beverage service of any kind or character, and from the use of jukeboxes, vending machines, video games, pinball machines or similar arcade-like machines, and from video lottery terminals where permitted by law; provided, however, that “Gross Sales” shall not include any sales tax or other taxes collected from customers and transmitted by Franchisee to the appropriate taxing authority. Gross Sales includes the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; provided, that at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price thereof may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. When calculating Gross Sales, Franchisee may deduct that portion of the normal full menu price of any item that is not collected by Franchisee as a result of Franchisor-approved promotions (whether local or system-wide, including coupons) and manager discounts (collectively, “Sales Discounts”), as well as discounted employee meals. Sales Discounts and discounted employee meals must be fully disclosed on all reports submitted to Franchisor by Franchisee and Franchisor reserves the right, in its sole discretion, to disallow any Sales Discounts not meeting the requirements set forth herein. Sales Discounts and discounted employee meals each may not exceed two and one-half percent (2½%) of Gross Sales (as calculated prior to the deduction for Sales Discounts and discounted employee meals).

“Gross Sales Report” means the report for the period and in the form we require itemizing the Gross Sales of the Restaurant. We may require you to provide the Gross Sales Report electronically.

“Improvements” means any new concept, process or improvement in the operation or promotion of a Boston’s Restaurant, regardless of who develops such Improvement.

“Initial Training Program” means our initial management training program featuring both classroom and on-the-job training.

“Liquidated Damages” has the meaning given to it in Section XIX.C.

“Local Advertising Spend” has the meaning given to it in Section IX.C.



“General Manager” means that individual who will work on-site and on a full-time basis and will oversee the management and operation of the Restaurant. The General Manager must attend and successfully complete all training we designate as required for General Managers.

“Managers” means those persons with managerial responsibility for Restaurant operations, including the Restaurant General Manager and Kitchen Manager. All Managers must satisfactorily complete our Initial Training Program and must meet our qualifications for Managers of Boston’s Restaurants.

“Manual” or “Manuals” means our confidential operations manual, which may consist of one or more manuals containing our mandatory and suggested standards, specifications, and operating procedures relating to the establishment and operation of Boston’s Restaurants. The term also includes alternative or supplemental means of communicating information to you, including bulletins, videotapes, audio tapes, compact discs, computer diskettes, CD ROMs and electronic communications.

“Marks” means the trade names, trademarks, service marks, logos, emblems and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the mark “Boston’s The Gourmet Pizza Restaurant & Sports Bar®”.

“Non-Principal Owners” means any Owner that owns less than a 10% ownership interest in you.

“On-Site Opening Assistance” means the on-site pre-opening and opening assistance we may provide.

“Opening Date” means the date the Restaurant first opens for business to the public.

“Operating Principal” means the Principal Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of your Boston’s Restaurant business.

“Owners” mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

“Principal Owners” means any Owner that owns at least a 10% ownership interest in you.

“Protected Area” means the geographic area within a one mile radius of the Franchised Location, or if the Franchised Location is within the geographic boundaries of a metropolitan statistical area with a population greater than one million persons, the geographical area within a one-half mile radius of the Franchised Location, which is assigned to you upon the execution of this Agreement and described on Attachment A, exclusive of any Reserved Area, within which you will be afforded the protections described in Section II.B. of this Agreement.

“Quick Express Unit” means a Boston’s Restaurant operating under the System and the Marks which offers a limited menu and/or limited service, rather than full service.

“Reserved Area” means locations in which customers are primarily drawn from an enclosed or limited facility, including, sports facilities and arenas, entertainment facilities, amusement parks, auditoriums, airports, hotels, office buildings, public transportation facilities, military bases and government facilities, college campuses, shopping malls (including food courts), grocery stores and supermarkets, hospitals, and other similar facilities and locations.

“Restaurant” means the Boston’s Restaurant operated by you at the Franchise Location pursuant to this Agreement, including all assets used in connection with its operation.

“Scheduled Opening Date” means the date on which you and we mutually agree in writing that the Restaurant will open.

“Site Approval Package” has the meaning given to it in the Site Addendum to this Agreement.

“Software Programs” means the proprietary or other software programs we develop or acquire for use by Boston’s Restaurants.

“Special Event” means carnivals, fairs, school events, charity functions, community festivals, conventions, business gatherings, private parties and similar events and gatherings that last for no more than 30 consecutive days.

“System” means the comprehensive methods and procedures for the establishment, management and operation of a Boston’s Restaurant, including the Confidential Information, the Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, fixtures and furnishings; special recipes and menu items; uniform standards, specifications, policies and procedures for Restaurant operations, inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time.

“Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by our net income.

## **II. GRANT**

A. Grant of Rights. We hereby grant you the right, and you accept the obligation, to establish and operate a Boston’s Restaurant under the Marks and the System in accordance with this Agreement at the Franchise Location. This Agreement only grants you the right to operate the Restaurant at the Franchise Location and to conduct authorized catering and delivery services from the Franchised Location in accordance with the Agreement, our Manual, and our standards. You are not authorized to offer any of the products and services offered by Boston’s Restaurants at wholesale or at or from any other location.

B. Protected Area. Except as provided in Section II.C. and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will establish, or authorize any person or entity other than you to establish, a Boston’s Restaurant in the Protected Area during the term of this Agreement.

C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others and regardless of proximity or competitive impact:

(1) To operate, and license others to operate, Boston’s Restaurants and Quick Express Units at any location outside the Protected Area and in any Reserved Area;

(2) Subject to your right of first refusal (described below), to operate and license others to operate Quick Express Units within the Protected Area. If we propose to establish a Quick Express Unit within the Protected Area during the term of this Agreement and provided that you and your Affiliates are in compliance with this Agreement and all other agreements with us or our Affiliates, we will notify you in writing and will grant you a right of first refusal to execute a franchise agreement for any such Quick Express Unit upon the terms and conditions that we are then generally offering to similarly situated franchisees. You must exercise your right of first refusal (if at all) within 30 days after you receive our written notice by a written election addressed to us. Notwithstanding the foregoing, we may specify a shorter period for your election if the person or entity which controls the proposed site has requested proposals for a food service facility to be located at such site and the deadline for such request will expire prior to the standard 30 day election period. Your failure to respond within the election period specified in our notice will be deemed to be an election not to exercise your right of first refusal;

(3) Within and outside the Protected Area:

(a) To develop, establish, and offer franchises or licenses for, businesses operating under other systems (including systems that distribute products or services similar to those offered at Boston's Restaurants) using names or marks other than the Marks;

(b) To advertise and promote Boston's Restaurants and the System;

(c) To use and license the use of technology to non-franchisee locations; and

(d) Except for the restriction under Section II.B. against the establishment of Boston's Restaurants in the Protected Area during the term of this Agreement, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, and other services and products, under the Marks or under other names or marks, regardless of competitive impact (i) through any method or channel of distribution, other than a Boston's Restaurant, including, but not limited to, through grocery stores, supermarkets, convenience stores, hotel shops and kiosks, theatres, malls, gas stations, mail order catalogs, and the Internet, and (ii) at Special Events.

(4) Engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Area, provided that in such situations the newly acquired businesses may not operate under the trademarks in the Protected Area.

D. Waiver. You hereby waive any right you have, may have, or might in the future have, to oppose our exercise of our reserved rights in Section II.C. and any claim for compensation from us as a result of our exercise of such rights.

### **III. FRANCHISE LOCATION, CONSTRUCTION AND OPENING DATE**

A. Franchise Location; Relocation. You have been granted the right to operate a Boston's Restaurant at the Franchise Location. You must not relocate the Restaurant without our express prior written consent. If you are unable to continue to operate the Restaurant at the Franchise Location because of the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you may request our consent to relocate the Restaurant to another location in the Protected Area. If we grant you the right to relocate the Restaurant, you must comply with such reasonable site selection and construction procedures as we may require and following relocation, you must conduct an opening promotion and pay for a pre-opening marketing plan in accordance with Sections IX.G. and IX.H. of this Agreement.

B. Licenses; Permits. You are responsible for constructing and operating the Restaurant in accordance with Applicable Law. Before beginning construction, you must (i) obtain all zoning classifications and clearances, approvals, permits, licenses and certifications required by Applicable Law or any restrictive covenants for the lawful construction or remodeling and operation of the Restaurant, and (ii) certify in writing to us that they have been obtained and that the insurance coverage specified in Section XIII. of this Agreement is in full force and effect. Without limiting the foregoing, you must have obtained all required licenses and/or governmental approvals to offer and sell alcoholic beverages at the Restaurant not later than the Opening Date and you must maintain all such alcoholic beverage licenses and/or governmental approvals throughout the term of this Agreement, including any renewal term. Failure to obtain and maintain such alcoholic beverage licenses and/or governmental approvals will constitute a material default under Section XVIII. of this Agreement. At our request, you must provide to us copies of all such approvals, clearances, permits, licenses and certifications.

C. Construction and Finish Out. You must obtain any and all architectural, engineering, design, construction and other services necessary for the construction of the Restaurant, at your expense.

(1) You must adapt our prototypical architectural and design plans and specifications for a Boston's Restaurant as necessary for the construction of the Restaurant at the Franchise Location. You must use our designated architect to develop the working drawings for your Franchised Location as well as our designated project management firm to assist you in both due diligence with respect to any proposed location for your Restaurant as well as construction management of the Restaurant. You may select and contract with your own registered architect and/or engineer to develop the working drawings for the Restaurant, if we have approved the proposed architect/engineer in advance and in writing. All such working drawings must substantially comply with our prototypical plans unless we approve changes in writing in advance. You must provide all final design and construction documents to us for our review and approval prior to the commencement of construction. If we determine, in our sole discretion, that the plans are consistent with our System standards, we will notify you of our acceptance of such plans. If we object to the plans, we will provide you with a reasonably detailed list of the changes needed to make the plans consistent with System standards. You must promptly implement the changes requested by us and submit the revised plans to us. You may not use any rejected plans unless and until you modify such plans to our satisfaction. You acknowledge that our review of the plans is only for the purpose of determining compliance with System standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. We are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) You must promptly commence and diligently pursue construction of the Restaurant. During construction, you agree to provide us with such periodic progress reports as we may reasonably request from time to time. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate your progress. You agree to notify us of the scheduled date for completion of construction no later than 90 days prior to such date, and you must confirm, or notify us of any changes to, the scheduled construction completion date 45 days prior to such date. Within a reasonable time after the date construction is completed, we will, at our option, conduct an inspection of the completed Restaurant. You must not open the Restaurant for business without our written authorization.

D. Opening Date. You must open the Restaurant and commence business within 210 days following the Effective Date of this Agreement (including any site selection and acquisition period set forth in any applicable Site Addendum). You may not open the Restaurant without our prior written consent, which may be conditioned on your completion of all pre-opening obligations in accordance with our standards, including the installation of all equipment, fixtures, furnishings and signs pursuant to the plans and specifications we have approved. If you fail to comply with any such pre-opening obligations, we have the right to prohibit you from opening the Restaurant. Your failure to open the Restaurant in compliance with these provisions will be deemed a material event of default under this Agreement.

#### IV. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue for a period of ten years from the Opening Date.

B. Renewal. You may, at your option, renew your rights under this Agreement for two additional consecutive terms of five years each, subject to any or all of the following conditions which must, at our option, be met prior to and at the time of renewal:

(1) You must give us written notice of your election to renew not less than nine months nor more than 12 months before the end of the then-current term;

(2) You must refurbish, repair or replace, at your expense, all equipment, Computer Systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other items required for the operation of the Restaurant as we may reasonably require and must otherwise upgrade the Restaurant to reflect our then-current standards and image of the System. You acknowledge that such requirements may include extensive changes, and you shall commence such refurbishing, repair, replacement and upgrades promptly upon notice from us (unless you elect not to renew your rights) and shall complete such requirements as expeditiously as possible, but in any event prior to the commencement of the renewal term;

(3) You must not be in default of this Agreement, neither you nor your Affiliates may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during their respective terms;

(4) You must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;

(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Franchise Location during the renewal term or obtain our consent to a new site for the Restaurant;

(6) You must execute our then-current form of renewal franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) You must pay to us a renewal fee of \$25,000 at the time of signing the then-current initial franchise agreement;

(8) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

(9) You must comply with our then-current qualification requirements.

## V. FEES

A. Initial Franchise Fee. Upon the execution of this Agreement, you must pay us an initial franchise fee of \$50,000, less any applicable Development Fee Credit. The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by us.

B. Royalty Fee. During the term of this Agreement, you agree to pay to us a continuing weekly royalty fee in an amount equal to 5% of the Restaurant's Gross Sales for the immediately preceding week. You must pay the royalty fee via electronic funds transfer, or any other means we reasonably specify. The royalty fee will be due each Thursday with respect to Gross Sales for the preceding week. If the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. For purposes of this Section V.B., the Restaurant's first week of operation shall begin on the Opening Date and shall end on the following Sunday, and each subsequent week shall begin on Monday and conclude on the following Sunday. You also must provide a weekly Gross Sales Report to us at the time and in the manner we require. If a state or local law prohibits or restricts your ability to pay us Royalty and Advertising Fund Contributions on alcoholic beverages, you will pay us the difference between those fees you paid us and the fees that would have otherwise been paid.

C. On-Site Opening Assistance. If this is your first or second Boston's Restaurant, you must pay our on-site opening assistance fee of \$15,000. We will provide you with at least two people for up to three weeks of on-site training before and during the opening of your Restaurant. If you request or we require that we provide additional training beyond the three-week period, we may charge you, at our discretion, our then-current fee for additional training (currently \$1,000 per trainer per five-day period), plus our per diem per trainer (currently \$350 per person per five-day period), plus travel-related expenses we incur. For your third and subsequent Restaurants (if applicable) if you request, or if we determine, that on-site opening assistance is necessary, we will provide such assistance based on availability of our or our affiliates' personnel, and you must pay the on-site opening assistance fee. You are responsible for all costs and expenses incurred by you and any attendees in connection with your attendance at any training we conduct.

D. Other Fees and Payments. In addition to the initial franchise fee and weekly royalty, you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.

E. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the due date will be deemed overdue. All unpaid obligations under this Agreement will be subject to a late payment fee of \$100 per week plus interest from the date due until paid at the lesser of 18% percent per annum, or the maximum rate allowed by Applicable Law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Our acceptance of any payments due subsequent to the due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We will have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you or on your behalf without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due us against any obligation that we may owe to you.

(5) Each payment to be made to us shall be made free and clear and without deduction for any Taxes.

F. Electronic Funds Transfer. You agree to execute all forms or documents that we or your bank determine to be necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer (“EFT”) in the amount of the royalty fee, the Advertising Fund Contribution, and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section VIII.G. of this Agreement or the Gross Sales Report. Our current EFT Authorization Agreements are attached as Attachment H and must be executed at such time we designate. If we have not received the Gross Sales Report, then we may process an EFT for the subject week based on the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for the subject week is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should your bank fail to honor an EFT for any reason, you agree that you will be responsible for that payment and any service charge. If any payments are not received when due, interest and late fees may be charged in accordance with Section V.E. Upon written notice to you, we may designate another method of payment.

## VI. OUR OBLIGATIONS

We agree to provide the following services or cause them to be provided to you:

A. Manuals. Access to one set of the Manuals, which may be provided electronically.

B. Training.

(1) Our Initial Training Program for your Operating Principal and, if this Franchise Agreement is for your first or second Boston's Restaurant, our Initial Training Program for your General Manager and up to five additional Managers, including your Kitchen Manager.

(2) If this Franchise Agreement is for your first or second Boston's Restaurant, we will provide you with the number of employees (at least two) that we determine to be sufficient for such period of time (currently, at least three weeks) as we deem appropriate to conduct on-site training before and during the opening of your Restaurant. If you request or if we require additional On-Site Opening Assistance beyond the three-week period, then we may, in our sole discretion, charge you our then-current fee for such additional training, plus our per diem per employee, plus travel-related expenses we incur.

(3) We provide the training programs described in Sections VI.B.(1) at no additional charge, except we may charge you for course materials in our discretion. If we provide successor training for replacement Managers for your first and/or second Restaurants, you must pay us our then-current fee for such additional training, plus our per diem per employee, plus travel-related expenses we incur if successor training occurs at one of your Restaurants. We do not charge any fee if the successor training described above occurs at a Restaurant in the Dallas, Texas area.

(4) We may also provide additional and/or remedial training for your Restaurant and/or initial and/or successor training if this Franchise Agreement is for your third or subsequent Restaurant, in our discretion, and we may offer additional mandatory or optional training programs. We may, in our sole discretion, charge you our then-current fee for all such training, plus our per diem per employee, plus our travel-related expenses we incur, if any.

C. Opening Assistance. After your first two restaurants are open, if you request, or if we determine, that assistance is necessary for any subsequent Restaurant openings, we will provide such assistance based on availability of our or our affiliates' personnel, and if such additional training occurs, we may charge you, at our discretion, our then-current fee for additional training, plus our per diem per trainer, plus travel-related expenses we incur.

D. Software Programs. For a reasonable fee, any Software Programs that we acquire or develop for use in the System; provided, that we are under no obligation to develop or acquire such Software Programs.

E. Inspections. Inspections of the Restaurant and evaluations of the products sold and services offered and sold at and from the Restaurant from time to time as reasonably determined by us. If you fail to meet our required passing percentage rate for any inspection we conduct, then you must pay us a re-audit fee (currently \$500) in addition to other rights or remedies that may be available to us.

F. Advertising. Administration of an Advertising Fund in accordance with Section IX. We may also provide to you, at a reasonable cost, any advertising and promotional materials we may develop from time to time for use in marketing and promoting Boston's Restaurants.



G. Operational Advice. Advice and written materials concerning techniques for managing and operating Boston's Restaurants, including new developments and improvements in the System and periodic Brand Equity Review ("B.E.R.") Assessments.

H. Collateral Merchandise; Equipment; Décor Items. From time to time in our discretion and at a reasonable cost, certain merchandise identifying the System, such as caps, t-shirts and other System memorabilia, in sufficient amounts to meet customer demand, and/or certain equipment, décor items or other products and services.

I. Suppliers and Supplies. From time to time as we deem appropriate a list of designated and approved suppliers as well as a list of designated and approved supplies and items to be used in the operation of the Restaurant.

## VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

You make the following representations, warranties and covenants to us:

A. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

(1) You are duly organized and validly existing under the law of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of Boston's Restaurants. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any Competitive Business;

(4) The execution and performance of this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request, provide to us copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any shareholders', buy-sell or other agreements restricting the sale or transfer of ownership interests in you and any other documents that we may reasonably request.

B. Your Owners.

(1) If you are a corporation, partnership, limited liability company or other legal entity, the ownership interests in you are accurately and completely described in Attachment B. You agree

to maintain at all times a current list of your Owners and to make that list available to us upon request.

(2) If you are a corporation, you agree to maintain stop-transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions upon assignments imposed by this Agreement.

(3) You agree to cause each of your Principal Owners to execute the Owners' Guaranty and Assumption Agreement attached as Attachment C to this Agreement, and each of your Non-Principal Owners to execute the Principal's Undertaking attached as Attachment D to this Agreement.

C. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. Such financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and have been certified as true and correct by your Principal Owner. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you agree to provide us with any and all loan or other documents relating to the financing of your operations under this Agreement.

(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.

D. Your Management.

(1) You agree to designate and to retain at all times during the term of this Agreement one of your Principal Owners as your Operating Principal. Your Operating Principal must meet our qualifications and must be approved by us. The Operating Principal for all Boston's Restaurants operated by you and your Affiliates must be the same person. Your Operating Principal must devote full time and best efforts to the supervision of the Franchised Business (including any other Boston's Restaurants operated by you and your Affiliates) and, without our written consent, shall not engage in any other business. Your Operating Principal must be empowered with full authority to act for you, and you authorize us to communicate directly with and rely on all such communications with your Operating Principal. The name of your Operating Principal will be listed in Attachment D to this Agreement and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Operating Principal cannot continue or no longer qualifies to serve in that capacity. You must take corrective action within 30 days after any such notice. During such 30 day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VII.D. will be a material breach of this Agreement.

(2) At all times from and after the Opening Date, you shall employ (a) a salaried, full-time General Manager who shall be responsible for overseeing the day-to-day operation of the Restaurant, and (b) a salaried, full-time Kitchen Manager who shall have primary responsibility (subject to the General Manager's oversight) for the operation of the kitchen at the Restaurant. The General Manager, Kitchen Manager and any other Managers we may specify from time to time must satisfy our qualifications and must have completed the Initial Training Program to our satisfaction. In the event of the resignation, termination, incapacity or death of any General Manager, you will have a period of 30 days after any such event to complete arrangements for a replacement who satisfies our qualifications and who shall complete our Initial Training Program to our satisfaction within 60 days following his or her date of hire.

E. Legal Compliance. You agree to comply with all Applicable Laws. You acknowledge that Applicable Laws vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such Applicable Laws and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed as a Specially Designated National or Blocked Person in any of the lists prepared by the U.S. government (as those lists may change from time to time) against whom U.S. parties are prohibited from doing business, including, without limitation, (i) the Specially Designated Nationals List (<http://www.treas.gov/offices/enforcement/ofac/sdn/sdnlist.txt>); (ii) Executive Order 13324 (<http://www.treasury.gov/offices/enforcement/ofac/programs/terror/terror.pdf>); (iii) Executive Order 13382 (<http://www.state.gov/t/isn/c22080.htm>); and (iv) Executive Order 12938 (<http://www.state.gov/t/isn/c15233.htm>). In addition, (a) neither your property or interests nor that of any Guarantor or your or their respective owners and Affiliates are subject to being "blocked" under any of the Anti-Terrorism Laws, and (b) you have no knowledge or information that you, any Guarantor or your or their respective management personnel, or anyone associated with any of them has engaged, are engaged or intends to engage in terrorist activities.

F. Your Investigation of this Franchise.

(1) You acknowledge having received a complete copy of our franchise disclosure document ("FDD") at least 14 days before you signed this Agreement or any other binding agreement with us and before you paid any consideration to us or our Affiliates. You have read this Agreement and our FDD and you understand them. You have had an opportunity to discuss the FDD and this Agreement with your legal counsel.

(2) You have conducted an independent investigation of the Franchised Business and recognize that an investment in that business involves business risks. You acknowledge that your success is largely dependent on your own abilities and efforts; and that the nature of the Franchised Business may change over time. You have not received or relied on any guaranty or assurance, express or implied, as to the income, revenues, profits or success of the business contemplated by this Agreement.

(3) You understand that we may change the System in any manner that is not expressly prohibited by this Agreement and that you must comply with any such changes.

(4) You acknowledge that you are relying solely on us, and not on any of our Affiliates with regard to our financial and other obligations under this Agreement, and no employee or other person speaking on our behalf or representing us has made any statement or promise to you that any of our Affiliates guarantee our performance or financially back us.

G. Information About You. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business to disclose to us any financial information in their possession which we may request relating to you or the Restaurant. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

H. Continuing Obligations. You make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate and to cause your Owners to cooperate with us to verify your continuing compliance with such representations, warranties and covenants. Any breach of these representations, warranties and covenants will constitute a material event of default under this Agreement.

## **VIII. RESTAURANT OPERATIONS**

### **A. Training.**

(1) Prior to the Opening Date, your Operating Principal and Managers must have completed our Initial Training Program to our satisfaction. Any successor or replacement Operating Principal or Manager must successfully complete any training program we require within a reasonable time after such persons are designated. These persons, and any of your other personnel whom we may designate, must attend and complete any additional training and conferences or other meetings that we may from time to time require. Training shall be conducted at locations we designate. We provide Initial Training for the Operating Principal and, if this Agreement is for your first or second Restaurant, for your General Manager and up to three additional Managers, at no additional charge, except we may charge you for course materials, at our discretion. We reserve the right to charge a reasonable fee for training successor or replacement personnel and for any additional or refresher training programs and meetings. You are responsible for all fees described in Sections VI.B. and C. and any and all expenses incurred in connection with any initial, successor, or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by you and your personnel. If any Operating Principal or any Manager fails, in our sole judgment, to satisfactorily complete our Initial Training Program, and you fail to cure such default within 60 days following written notice from us, we may terminate this Agreement.

(2) Subject to our then-current certification procedures, after you have established your second Boston's Restaurant and before the opening of your third Restaurant, you must implement an initial training and store opening program that complies with our standards. Under that program, you will be responsible for training the employees (including the Restaurant General Manager) of, and for providing on-site opening assistance to, the third and each subsequent Restaurant developed pursuant to this Agreement. If you do not have a certified training Restaurant before you open your third and subsequent Restaurants (if applicable), we will provide initial training to your Managers at our Dallas training center, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period). If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses. If your Restaurant loses its standing as a certified training Restaurant, then you must pay us our then-current re-certification fee for each visit we make to your Restaurant as part of the re-certification process.

(3) If you request training assistance for any product or program rollout, we may provide training assistance for the rollout, at our option; or if we deem such assistance is necessary;

we will charge you our then-current program rollout fee for every visit we make to your Restaurant, plus all reasonable costs and related expenses we incur, in connection with each program rollout.

B. Standards Compliance. You acknowledge the importance of maintaining consistency among all of the Boston's Restaurants operating under the System and the importance of complying with all of our standards and specifications relating to the operation Boston's Restaurants. You further acknowledge and agree that local conditions or other special circumstances may warrant a deviation from our standards, specifications, policies, or procedures and we may, but are not obligated to, allow such deviation, in our sole discretion. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you agree to conduct your business in accordance with the Manuals, other written directives which we may issue to you from time to time, and any other manuals and materials created or approved for use in the operation of Boston's Restaurants.

C. Maintenance. You agree to maintain the Restaurant in a high degree of sanitation and repair, and to make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, decor, and equipment (including, but not limited to, point of sale or Computer Systems) as we may reasonably direct. You also agree to obtain, at your expense, any new or additional equipment, fixtures, supplies and other products and materials which we may reasonably require for you to offer and sell new services or products from the Restaurant or to provide such services or products by alternative means. No alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the Restaurant without our prior written approval.

D. Upgrade of Restaurant. At our request, but not more frequently than once every seven years during the term of this Agreement, you must make improvements to the Restaurant to conform it to our then-current standards and specifications. Without limiting the foregoing, you agree that, if we request, you will make any capital improvements required by this Section VIII.D. on or after the seventh anniversary of the Opening Date.

E. Sourcing.

(1) You agree to comply with all of our standards and specifications for the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, Computer Systems, and other products used or offered for sale at the Restaurant. If we have approved or designated suppliers for any such item (including manufacturers, distributors and other sources), you agree to obtain these items from those suppliers. Our approved or designated suppliers are those who demonstrate on a continuing basis the ability to meet our standards and specifications; who have adequate quality controls and the capacity to supply the needs of the Boston's Restaurants operating under the System promptly and reliably over an extended period of time; and who have been approved in writing by us and who have not thereafter been disapproved by us. You acknowledge and agree that (a) we may change the number of approved suppliers at any time, and may designate ourselves, an Affiliate, or a third party as the exclusive source for any particular item; (b) we may profit from your purchases from designated or approved suppliers, and (3) we and/or our Affiliates may receive payments, fees, commissions or reimbursements from such suppliers in respect of your purchases (including, without limitation, for products and services we or our Affiliates provide to you and by suppliers that we designate or approve for some or all of our franchisees). At our discretion, we may contribute such amounts to the Advertising Fund or retain such amounts for our own use in our discretion, notwithstanding any designation by the supplier or otherwise. Contribution of any rebates or credits to the Advertising Fund will not reduce your obligation to make the contributions to the Advertising Fund provided for in this Agreement.

(2) You acknowledge and agree that products, equipment, and technology are constantly changing, whether updated, improved, replaced, or discontinued. Consequently, such changes sometimes create transition and incompatibility challenges. By entering into this Agreement, you acknowledge the potential of such occurrences and assume all risk associated therewith, which you acknowledge may affect your ability to order, receive, or sell products and/or offer services for a period of time and further acknowledge that we are not responsible for any damages caused by such issues or occurrences, including lost sales or profits.

(3) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. We will approve or disapprove a proposed supplier within 30 days of the date on which we receive all information we request about the proposed supplier. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We will have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier may be required to pay for the cost of the inspection and of the test (including our administrative expenses). We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier if the supplier fails to continue to meet any of our criteria. If we revoke our approval of any supplier, you agree to promptly discontinue use of that supplier. Your failure to comply with the provisions of this Section VIII.E. shall be deemed a material breach under this Agreement.

F. Operational Requirements. You agree to operate the Restaurant in full conformity with our methods, standards, and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree:

(1) To sell or offer for sale all menu items, products (including, without limitation, liquor, beer and wine), and services we require using the method and manner of distribution we prescribe. Without limitation of the foregoing, without our prior written consent, you may not conduct delivery services outside of a 10-mile radius of the Franchised Location or within the Protected Area of another Boston's Restaurant, and you may not solicit delivery orders outside of your Protected Area, including through other channels of distribution, such as the Internet, third-party delivery companies, catalog sales, telemarketing, or other direct marketing. You may conduct authorized catering services without any radius or area limitation, except that you may not conduct catering services in the protected area of another Boston's restaurant without our prior, written consent; We need to discuss the radius limitation as to catering vs internet & third-party vendors? Currently catering definition is included in takeout and delivery section.

(2) To sell and offer for sale only the menu items, products and services that we have expressly approved for sale in writing; to discontinue selling and offering for sale any menu items, products or services and any method or manner distribution which we may disapprove in writing at any time;

(3) To maintain in sufficient supply and to use and sell at all times only those food and beverage items, ingredients, products, materials, and supplies that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation, to use the brand and/or type of ingredients we require and the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by using or offering non-conforming items or differing amounts of any items or otherwise, without our prior written consent;

(4) To permit us or our agents, at any reasonable time, to remove samples of food or non-food items from the Restaurant, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications;

(5) To purchase or lease and install, at your expense, all fixtures, furnishings, equipment, Computer Systems, decor items, signs, and related items that we may reasonably direct from time to time; and to refrain from installing or permitting to be installed in or about the Restaurant, without our prior written consent, any fixtures, furnishings, equipment, decor items, signs, vending machines or other items not previously approved as meeting our standards and specifications;

(6) To grant us and our agents the right to enter the Restaurant at any reasonable time to conduct B.E.R. Assessments and other inspections; to cooperate with our representatives conducting the B.E.R. Assessments and other inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), to take any and all steps that may be necessary to correct promptly any deficiencies detected during a B.E.R. Assessment or other inspection. If you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, for the purposes of maintaining System standards, we will have the right and authority (but no obligation) to correct the deficiencies and to charge you a reasonable fee, payable on demand, for our expenses in taking the corrective action (including, without limitation, any necessary re-inspection);

(7) To maintain a competent, conscientious, trained staff and to take any and all steps necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe;

(8) To only install and offer such vending machines, gaming devices (if permitted by Applicable Law and expressly authorized by us), or other machines or devices in the Restaurant as we have expressly approved in the Manuals or otherwise in writing; and

(9) To keep the Restaurant open and in operation for the days and hours that we may from time to time prescribe.

G. Computer Systems. You agree to use the Computer System that we specify from time to time for use in the operation of the Restaurant. You acknowledge that we may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by us or others and hardware and/or software maintenance agreements. Specifically, but without limiting the generality of the foregoing, we may require that you

install and maintain systems that permit us to access and retrieve electronically any information stored in your computer systems, including information concerning your Restaurant's Gross Sales, at the times and in the manner that we may specify periodically. You acknowledge that we may, during the term of this Agreement, require you to modify, enhance and/or replace all or any part of the computer hardware and software comprising the Computer System at your expense. Any such modifications, enhancements, and replacements to the Computer System may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. Within 60 days after you receive notice from us, you agree to obtain the components of the Computer System that we require. You further acknowledge and agree that we have the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our Affiliate may furnish to you. Without limiting the foregoing, you must enter into the POS Services Support Agreement attached hereto as Attachment G.

You are required to pay our then-current annual technology fee ("Technology Fee") (currently \$1,500 per year) for the use of certain technologies used in the operation of your Boston's Restaurant. You must also pay our then-current fee to certain suppliers or licensors of systems and programs you use, including charges for use, maintenance, support, labor, installation, and/or update of these systems or programs. Failure to timely pay any and all amounts owed to any supplier or licensor of the required systems and programs will be considered a material breach of this Agreement. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increases in fees from third party vendors. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the computer system, your point-of-sale system, or other technology used in the operation of your Boston's Restaurant, including all data protection or security laws, as well as Payment Card Industry compliance.

H. Customer Complaints. You agree to process and handle all consumer complaints connected with or relating to the Restaurant, and to promptly notify us in writing of all food related illnesses, safety or health violations, claims exceeding \$1,000, and any other material claims against or losses suffered by you. You also agree to maintain any communications with governmental authorities affecting the Restaurant during the term of this Agreement and for one year after the expiration or earlier termination hereof.

I. Internet. You agree to install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You further agree that you will not establish or participate in any website or other listing on the Internet except as provided herein.

(1) We have established the Boston's Website. We have sole discretion and control over the Boston's Website, including design, contents and continuation. We may include at the Boston's Website interior pages containing information about your Boston's Restaurant (each a "Developer Page") and may require you to prepare all or a portion of the Developer Page(s) for your Restaurant, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. Any modifications (including customizations, alterations, submissions or updates) you make to the template will be deemed to be a "work made for hire" and we shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire, you hereby assign those modifications to us for no additional consideration and agree to execute such further assignments(s) as we may request.



Without limiting our general unrestricted right to permit, deny and regulate your participation on the Boston's Website in our discretion, if you breach this Agreement or any other agreement with us or our Affiliates, we may disable, suspend or terminate your Developer Page(s) and remove all references to your Restaurant until the breach is cured. We may use Advertising Fund monies (as described in the Franchise Agreement) to maintain the Boston's Website.

(2) Except as provided in Section VIII.I.(1), you may not establish or operate your own website for the Boston's Restaurant business, and you may not conduct any e-commerce or social media activity relating to the Boston's Restaurant business (including, without limitation, Facebook, Twitter, LinkedIn, Google+, Foursquare, YouTube, Pinterest, Instagram, other social media sites, mass messaging outlets, location specific websites, online ordering, loyalty programs or messaging clubs) or other electronic communication system, except as permitted by, and in strict compliance with, our social media policy and Manuals. Without limitation of the foregoing, you agree that you have no authority to, and you will not, establish or participate in any website that creates any association with the Marks or the System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the System, without our express prior written consent.

(3) You have no authority to, and you agree that you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or expiration of this Agreement, the license of the domain name to you will automatically terminate and you agree to undertake all such actions that we require to disassociate yourself with the domain name.

(4) We have the sole right (but no obligation) to develop an Intranet through which we and our developers and franchisees can communicate by e-mail or similar electronic means. You agree to participate in any such Intranet in strict compliance with our standards, protocols and restrictions, including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. You will be solely responsible for compliance with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act of 2003). We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you agree to pay in accordance with our invoice.

J. Liquor and Business Licenses. You agree to secure and maintain, at your sole cost, any and all required state, county, and/or local liquor licenses required for the on-premises sale and consumption of alcoholic beverages at the Restaurant and any other business licenses required for the operation of the Restaurant.

K. Improvements. If you, your employees, or Owners develop any Improvement, you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining

and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section VIII.K. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

L. Pricing. To the fullest extent permitted by Applicable Law, we reserve the right to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services and you agree to comply with any such requirements.

M. Data Security. You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, you agree that you will cause the Restaurant and the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards (**PCI DSS**) council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act (**FACTA**) and all other successor or additional laws, and all other data security requirements we prescribe. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. You will defend, indemnify, and hold us harmless from and against all claims arising out of or relating to your violation of this Section VIII.M.

N. Crisis Management. Upon the occurrence of a Crisis Management Event, you agree to immediately inform us of such event and to cooperate fully with us, our designated representatives, and the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and System, you must cooperate fully with use with respect to managing statements and other responses to the Crisis Management Event. “**Crisis Management Event**” means any event that occurs at or about the Restaurant premises or in connection with the operation of the Restaurant that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data breaches, real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

## IX. ADVERTISING

A. Promotional, Loyalty and Test Programs. We or our Affiliate may, from time to time, in our sole discretion, develop and administer national or regional advertising and sales promotion programs, loyalty programs (including, without limitation, gift card, gift certificate and other customer loyalty or retention programs) and test programs. You must participate in all such programs, at your expense, in accordance with the terms and conditions established by us and sign the forms and take the actions that we require in order for you to participate in such programs. You acknowledge that such participation may require you to purchase reasonable point of sale advertising material, posters, flyers, product displays and other promotional materials.

B. Advertising Assessment. You must spend at least 4% of the Restaurant’s Gross Sales on marketing and advertising. Initially, you must contribute 3% of the Restaurant’s Gross Sales to the Advertising Fund described in Section IX.E. (“Advertising Fund Contribution”), at the time and in the manner that royalty fee payments are made, and you must spend 1% of the Restaurant’s Gross Sales on approved local advertising in accordance with Section IX.C. (“Local Advertising Spend”). Upon written

notice to you, we may vary the portions of the Advertising Assessment allocable to the Advertising Fund Contribution and Local Advertising Spend, but your total required expenditures for advertising will not exceed the maximum Advertising Assessment specified in this Section IX.B.

C. Local Advertising. Your Local Advertising Spend must be spent on approved advertising for your Restaurant. Local marketing and promotion will be conducted by you individually or, at our discretion, with other franchisees in your region. Your local marketing must comply with the policies and procedures established by us for the prior approval of all proposed marketing and promotion campaigns and materials. On or before the tenth day of each month, you must submit to us a local advertising report, including substantiating receipts, detailing your Local Advertising Spend for the preceding month. We also have the right to review your books and records from time to time to determine your Local Advertising Spend. If we determine that you have not spent the required amount, we may require you to contribute any unexpended amounts to the Fund as an additional Fund contribution. Expenditures incurred for any of the following may not be included in your Local Advertising Spend for purposes of this Section IX.C., unless we first approve them in writing:

- (1) Incentive programs for your employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of your employees,
- (2) Non-media costs incurred in any promotion;
- (3) Charitable, political or other contributions or donations;
- (4) The cost of Internet listings and other business listings that we may specify from time to time; and
- (5) Pre-opening Marketing expenditures incurred pursuant to Section IX.G.
- (6) Opening expenditures incurred pursuant to Section IX.H.

D. Cooperatives. We have the right to designate any geographic area in which two or more company-owned or franchised Boston's Restaurants are located as a region for purposes of establishing an advertising Cooperative. If we do, we will determine how each Cooperative will be organized and governed and when it will begin operations. If organized, Cooperatives will be for the exclusive purpose of administering local advertising programs and will be operated solely as a conduit for the collection and expenditure of local advertising contributions. If a Cooperative is established for a geographic area that includes the Restaurant, you must execute the Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the amounts required by the Cooperative's governing documents. All such contributions will be credited toward your Local Advertising Spend and total advertising expenditures, including Advertising Fund Contributions, Local Advertising Spend and Cooperative contributions will not exceed the maximum Advertising Assessment.

E. Advertising Fund. We have established an Advertising Fund ("Fund") to promote the Boston's Restaurant System in the United States. We or our Affiliate (currently BPR Group) will administer the Fund as follows:

- (1) We or our Affiliate (currently BPR Group) will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, the geographic, market and media placement and the allocation of Advertising Fund Contributions. You agree that

the Fund may be used to pay the costs of planning, administering, analyzing, producing, and executing advertising, marketing, and promotional assets in the marketplace, including: (a) preparing and producing video, audio, and written advertising materials; (b) administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing media advertising and employing advertising and marketing agencies; (c) developing and maintaining the Boston's Website; (d) supporting public relations, market research, and other advertising, promotion, and marketing activities; (e) conducting marketing studies; producing and purchasing radio, television, and ecommerce commercials; (f) producing point of sale materials, outdoor advertising art, and direct mail promotional items; (g) developing and implementing local store marketing programs and materials; and (h) conducting product research, development, and testing and menu development. Advertising Fund Contributions also may be used to defray salaries of our or our Affiliate's employees related to the operation of the Fund, to pay for attorney's fees and other costs related to the defense of claims against the Fund or against us or our Affiliates or the Fund relating to Fund programs, and to pay costs with respect to collecting Advertising Fund Contributions.

(2) The Fund will be accounted for separately from our other funds. But nothing herein shall be deemed to create a trust fund, and we may commingle Advertising Fund Contributions with our general operating funds and expend such sums in the manner herein provided.

(3) We or our Affiliate may spend, on behalf of the Fund in any fiscal year an amount greater or less than the aggregate Advertising Fund Contributions of all Boston's Restaurants to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. Within 90 days following the end of each fiscal year, we will prepare a statement of the Advertising Fund Contributions collected and expended during that fiscal year and will furnish the statement to you upon written request.

(4) You acknowledge that the Fund is intended to maximize recognition of the Marks and Boston's Restaurants. Although we and our Affiliate will endeavor to use the Fund to develop advertising and marketing materials and programs that will benefit all Boston's Restaurants, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Boston Restaurants operating in that geographic area or that any Boston's Restaurant will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. You acknowledge that not all franchisees are or shall be required to contribute, or contribute the same percentage of Gross Sales, to the Fund. We and our Affiliate assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Fund.

(5) We or our Affiliate (currently BPR Group) may collect rebates and credits from suppliers based on purchases or sales by our franchisees and, at our or its discretion, may refund such amounts to the franchisees, contribute such amounts to the Fund or retain such amounts for our or our Affiliate's own use in our or its discretion, notwithstanding any designation by the supplier or otherwise. Any such contribution of such rebates or credits to the Fund shall not reduce your obligation to pay the Advertising Fund Contributions.

(6) Fund contributions that are not spent in the year in which they are collected will be carried over to succeeding years. We and our Affiliate reserve the right, upon 30 days prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more

periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding 12 month period.

F. Advertising Standards. You agree that any advertising, promotion, and marketing you conduct under the Marks will not be misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. The advertising methods and media you wish to use in connection with your Restaurant and the Marks and samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least ten business days before you plan to use them, and we must approve, in writing, all such methods, media, and materials prior to such use. If you do not receive written disapproval within ten business days after our receipt of such information and/or materials, we will be deemed to have given the required approval, but we may withdraw our approval at any time. You may not use any advertising or promotional materials that we have disapproved.

G. Pre-opening Marketing. Approximately 24 weeks before the Opening Date of your Restaurant, we will present you with customized marketing plan options designed to advertise and promote the opening of your Restaurant, the cost of which is currently \$20,000. You will be required to select a media plan option and pay us the cost of such option at that time. Pre-opening marketing expenditures will not be credited toward any of your other obligations under this Section.

H. Opening Promotion. You may, at your sole option and expense, host additional opening or grand opening events. If you elect to host such events, we must approve in writing, in advance, all advertising, methods, and media you use in connection with such events, and your related expenditures will not be credited toward the pre-opening advertising described above or any of your other advertising expenditures or other obligations.

## X. MARKS

A. License to Use the Marks. We grant you a non-exclusive license to use the Marks during the term of this Agreement in accordance with this Agreement and our standards and specifications.

B. Your Agreements Regarding the Marks. You expressly acknowledge that:

(1) As between us and you, we are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither you nor any of your Owners will take any action that would prejudice or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit and to the benefit of our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

(4) You agree not to contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks and a material event of default under this Agreement. You agree to provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of us or our Affiliates in the Marks.

(6) We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Boston's Restaurants operating under the System. You agree, at your expense, to discontinue or modify your use of any of the Marks and to use one or more additional or substitute marks as and when we require.

C. Your Use of the Marks. You further agree that you will:

(1) Operate and advertise the Restaurant only under the Marks we specify without prefix or suffix, unless otherwise authorized or required by us. You agree not to use the Marks as part of your corporate or other legal name.

(2) Identify yourself as the owner of the Restaurant in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and display a notice in such content and form and at such conspicuous locations at the Restaurant or on any vehicle used in the operation of the Restaurant as we may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on our behalf.

(4) Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We and our Affiliates will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the exclusive right to control any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, be reasonably necessary or advisable to protect and maintain our or our Affiliates' interests in the Marks.

## **XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS**

A. Manuals. The Manuals are our property and part of our Confidential Information. Your use of the Manuals during the term of this Agreement must comply with the provisions of this Agreement governing the use of our Confidential Information. We have the right to add to or modify the Manuals from time to time, and you agree to comply with all additions and modifications to the Manuals. If there is a dispute about the contents of the Manuals, the terms of our master copy will control. If you are in default under this Agreement, we may deny you access to any electronic or online versions of the Manuals. All Manuals that are not provided to you online must remain at the Restaurant at all times and must be available to all operating personnel who are authorized to access and use the Manuals.

B. Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the establishment and operation of Boston's Restaurants. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the business contemplated by this Agreement during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the Confidential Information to your Owners and employees only to the extent reasonably necessary for the operation of the business contemplated by this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to of your personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

C. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of "Owner" under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston's Restaurant, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Boston's Restaurants operated under valid agreements with us, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Owner" under this Agreement) and continuing for two years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or

indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston's Restaurant, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Boston's Restaurants operated under valid agreements with us, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business that is the same as or similar to a Boston's Restaurant and which is, or is intended to be, located (i) at the Franchise Location, (ii) within the Protected Area, or (ii) within a ten-mile radius of any Boston's Restaurant then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.C. The time periods relating to the obligations set forth in this Section XI.C.(2) will be tolled for any period of non-compliance.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.C. without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.C.

D. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Section XI. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Section XI., without the requirement that we post a bond. You and your Owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Section XI., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section, or any part of it.

E. Execution of Covenants by Officers and Managerial Employees. Any Manager and, if you are an entity, an officer that does not directly or indirectly own equity in the franchisee entity must sign the System Protection Agreement, the form of which is attached to the Disclosure Document in Exhibit I-2. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.B. and C. from your Managers. These covenants must be substantially in the form set forth in Exhibit I-2 to the Disclosure Document and Attachment E to this Agreement; however, we reserve the right, in our sole



discretion, to decrease the scope of the noncompetition covenant set forth therein, or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

## **XII. BOOKS AND RECORDS**

A. Maintenance of Books and Records. During the term of this Agreement, you must maintain in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete and accurate books, records and accounts of the Restaurant, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers. You agree to preserve such books and records for at least four years from the date of preparation.

B. Reporting. In addition to other reports required by this Agreement, you agree to submit to us the following information at your expense and in the form we prescribe from time to time, which may include on-line reporting:

(1) A monthly income statement (which may be unaudited), signed by your treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct. The monthly income statement must be received on or before the tenth of each calendar month for the preceding month

(2) Not later than 90 days after the end of each fiscal year during the term of this Agreement, your complete annual financial statement (which may be unaudited), 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 calendar year.

(3) Not later than five days after filing, copies of the federal income tax returns (including any extension requests) and within five days after the end of each calendar quarter, copies of the state sales tax returns for the Franchised Business. If the Restaurant is in a state which does not impose a sales tax, you agree to submit a copy of your state income tax return (including any extension requests) not later than five days after filing.

(4) At such other times as we may require, such other forms, reports, records, information and data as we may reasonably designate.

C. Audits. We or our representatives will have the right at all reasonable times to review, audit, examine and copy your books and records relating to the Restaurant. If any required payments to us are delinquent, or if an examination or audit should reveal that such payments have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section V.E. If an examination or audit discloses an understatement in any report of 3% or more, you must, in addition, reimburse us for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies shall be in addition to any other remedies we may have at law or in equity.

D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.

### **XIII. INSURANCE**

A. **Insurance Coverage Requirements.** Before the Opening Date you must procure, at your expense, the types and amounts of insurance coverage specified in the Manuals. You must maintain these policies in full force and effect at all times during the term of this Agreement. The policies shall be written by a responsible carrier or carriers rated “A- VIII” or better by the A.M. Best & Company, Inc. or as otherwise approved by us. As of the Effective Date, the minimum coverage requirements are as follows. You acknowledge that the limits required under this Section XIII. are merely the minimum required limits and do not relieve you of your responsibility to ensure that the limits and coverages you maintain are adequate to protect your interests:

(1) Comprehensive general liability insurance, including contractual liability, broad form property damage, personal injury, advertising injury, product liability, liquor liability, automobile liability, completed operations and independent contractors coverage in the amount of at least \$5,000,000, combined single limit, or such higher amount as required by your lease, if any, and naming us and other Indemnities (as defined in Section XVI.) as additional insured(s). The limits of liability required in this Section in excess of \$1,000,000 may be satisfied by your purchase of Umbrella or Excess Liability coverage; provided, that the additional insured status shall also apply to the Umbrella/Excess coverage;

(2) Workers’ compensation and employer’s liability insurance in an amount designated by Franchisor, but in no event less than the minimum amount mandated by the laws of the state in which the Restaurant is located and operated. You shall also maintain such other insurance as may be required by statute or rule of the state in which the Restaurant is located and operated. Notwithstanding the foregoing, if permitted by Applicable Law, you may, subject to our consent, self-insure your workers provided that you are, and at all times remain, in full compliance with all applicable state, federal and local laws and regulations, if any, in providing such self-insurance. The minimum limit of liability required under this Section for employer’s liability shall be \$1,000,000 each accident; \$1,000,000 for disease, each employee; and \$1,000,000 for disease, policy limit; and

(3) Business income and extra expense insurance in amounts sufficient to cover royalty fees and Advertising Fund Contributions equal to the average monthly royalty fees and Advertising Fund Contributions payable during the six month period immediately preceding the event causing the interruption (or for any shorter period that the Restaurant has been in operation) multiplied by 12, but in no event less than \$100,000 annual coverage. Such coverage shall be maintained to reimburse us for losses arising out of all named perils insured against by your policies of property insurance, including, but not limited to, prevention of, or denial of use or access to, all or part of the premises. You should consult with your insurance provider to determine the additional amount of insurance (if any) that you should purchase to properly insure your entire business income and extra expense exposure.

B. **Construction Coverage.** In connection with any construction, renovation, refurbishment or remodeling of the Restaurant, you shall cause the general contractor to maintain with a reputable insurer comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder’s risk, product liability and independent contractors coverage) in at least the amount of \$1,000,000, naming us as an additional insured, and worker’s compensation and employer’s liability insurance as required by state law. A copy of the Certificate of Insurance for all such insurance and worker’s compensation coverage shall be provided to us before commencement of any such work in respect of the Restaurant premises.

C. General Requirements. All policies of insurance required under Section XIII.A. shall be written on an “occurrence” (not a “claims made”) basis. All insurance coverage shall be primary, without right of contribution from us. All policies shall contain a waiver of subrogation in our favor. All policies, except workers’ compensation and employer’s liability insurance, must name us, our Affiliates, successors and assigns, and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them as additional insureds and shall expressly provide that their interest shall not be affected by your breach of any policy provisions.

D. Deductibles. With our written consent, you may elect to have reasonable deductibles in connection with the coverage required hereunder but you shall be responsible for payment of any such deductible without contribution from us. Without limitation of the foregoing, if we seek coverage as an additional insured under any policy that contains a deductible, you must satisfy such deductible to the extent of loss covered by such policy for any lawsuit arising from or connected with your alleged acts or those of your employees, even if you are not named as a defendant. Deductible provisions limiting payment to the named insured or containing other similar restrictions are prohibited.

E. Proof of Insurance. Upon the execution of this Agreement and 30 days before the expiration of any policy required under this Agreement, you agree to deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Section XIII. In addition, if we request, you agree to deliver to us a copy of any such insurance policy or policies. All required insurance policies must expressly provide that we are entitled to no less than 30 days’ prior written notice in the event of a material alteration to or cancellation of the policies.

F. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section XVI. of this Agreement. The insurance policies you are required to maintain under this Agreement shall be considered primary and non-contributing with any insurance policies carried by us.

G. Remedies. If you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but not the obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable by you upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

#### **XIV. DEBTS AND TAXES**

A. Payment of Taxes and Other Obligations. You agree to promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with the Restaurant. You are solely liable for the payment of all Taxes and agree to indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. Disputed Liability. If there is a bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the Restaurant.

C. Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be

detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers.

D. Notice of Adverse Orders. You agree to notify us in writing within five days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Restaurant.

## **XV. TRANSFER**

A. By Us. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, and following such transfer or assignment, the transferee or assignee shall be solely responsible for all obligations of the “Franchisor” arising subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Principal Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you rights under this Agreement in reliance on your business skill, financial capacity and personal character and that of your Principal Owners. Accordingly, neither you nor any of your Principal Owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage, grant any security interest in, or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Restaurant, or in you without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement. If you wish to transfer all or part of your interest in the Restaurant or this Agreement, or if you or a Principal Owner wishes to transfer any ownership interest in you, the transferor shall apply to us for our consent. We will not unreasonably withhold our consent but may require any or all of the following as conditions of our consent:

(1) All accrued monetary obligations of you and your Affiliates to us and our Affiliates arising under this Agreement or any other agreement, shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts of whatever nature or kind in a timely manner;

(2) You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its owners, if applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us and our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The proposed transferee must demonstrate to our satisfaction that it meets our then-current qualifications, and, at the transferee’s expense, its principal owner, restaurant managers and any other personnel we require shall complete any training programs then in effect for Boston’s Restaurants upon such terms and conditions as we may reasonably require;

(5) The transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade the Restaurant to conform to our then-current System image, standards and specifications;

(6) The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements under this Agreement;

(7) The transferee shall execute our then-current form of franchise agreement for a ten year term. The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of the transferee's principal owners whom we require shall execute such guaranty and assumption documents as we may require and any non-principal owners shall execute our principal's undertaking;

(8) The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(9) At least 30 days before the proposed transfer date, you must pay us a transfer fee in an amount equal to 50% of our then-current initial franchise fee. In addition, if you transfer your Restaurant to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges;

(10) The transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The terms and price of the proposed transaction between the transferor and a transferee must, in our reasonable discretion, not endanger the post-sale viability of the Restaurant. **THIS RIGHT OF APPROVAL SHALL NOT CREATE ANY SPECIAL LIABILITY OR DUTY ON THE PART OF FRANCHISOR TO THE PROPOSED TRANSFEREE.**

C. Transfers by Non-Controlling Principals and for Convenience of Ownership.

(1) Non-Controlling Principals may transfer their ownership interests in you subject to the following conditions: (a) you provide us at least 15 days prior written notice of the proposed transfer, including information concerning the identity of the proposed transferee; (b) the proposed transferee is not a felon or a "Specially Designated National" or "Blocked Person" within the meaning of the Anti-Terrorism Laws, and is not a Competitor or associated with a Competitor and meets our then-current requirements for an Owner of a Restaurant; (c) the interests being transferred are not owned by a Guarantor; (d) the transfer, individually and in the aggregate, will not result in a change of Control of you; and (e) you pay our reasonable out-of-pocket costs associated with the transfer, including the cost of any background check we deem necessary. If we request, you must execute an amendment to this Agreement updating the ownership schedule attached to this Agreement to reflect the transfer.

(2) If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section XV.B., except that Sections XV.B.(3), (4), (5), and (7) shall not apply and the fee provided for in Section XV.B.(9) shall be limited to our reasonable out-of-pocket costs and expense (including

legal and accounting fees and costs). In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. Except for transfers pursuant to Sections XV.C. and E., if you or an Owner (in either case, the “proposed seller”) wishes to transfer any interest in this Agreement, the Restaurant, or you pursuant to any bona fide offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within 30 days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the proposed seller that we intend to purchase the proposed seller’s interest on the terms and conditions offered by the third party. If we elect to purchase the proposed seller’s interest, closing shall occur on or before 60 days from the later of the date of our notice to the proposed seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase the proposed seller’s interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two appraisers. Each party shall select one appraiser and the average of the appraisers’ determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section XV.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. Failure to comply with this Section XV.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. You agree to promptly notify us of any death or claim of permanent disability subject to this Section XV.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XV.B. for any inter vivos transfer.

(1) Upon your death (if you are a natural person) or the death of any Principal Owner who is a natural person (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six months after the death of the Deceased.

(2) Upon your permanent disability (if you are a natural person) or the permanent disability of any Principal Owner who is a natural person, we may, in our sole discretion, require that person’s interest to be transferred to a third party in accordance with the conditions described in this Section XV. within six months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently

disabled as of the date of such refusal for the purpose of this Section XV.E. We will pay the costs of any examination required by this Section XV.E.(2).

F. Grant of Security Interests. Except to the limited extent permitted by Section 9-408 of the Uniform Commercial Code, you shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, in the business conducted pursuant to this Agreement or in you without our express prior written consent, which consent may be conditioned or withheld in our judgment.

G. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which we will not unreasonably withhold. As a condition of our consent, we may, in our sole discretion, require that immediately after such offering your Owners retain a Controlling Interest in you. You agree to give us written notice at least 30 days before the commencement of any offering covered by this Section XV.G. and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners and the other participants in the offering must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

H. No Waiver. Our consent to the transfer of any interest described in this Section XV. shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee's exact compliance with any of the terms of this Agreement.

## **XVI. INDEMNIFICATION**

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnitees") against, and to reimburse any one or more of the Indemnitees for, any and all claims, and liabilities directly or indirectly arising out of the operation of the Restaurant, your employer/employee relationships, or your breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnitees, including, without limitation, accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce

or alter the amounts we or another Indemnified Party may recover from you. The terms of this Section XVI. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

## **XVII. INDEPENDENT CONTRACTOR**

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations of the Restaurant pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed employees of us or subject to our control. We have no authority to hire, fire, promote, or demote any of your employees or take any disciplinary action whatsoever against any of them. Additionally, you must communicate to all employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties shall file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

## **XVIII. TERMINATION**

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition (or have an involuntary petition filed against you) under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of your Restaurant shall be sold after levy thereupon by any sheriff, marshal or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.

B. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:



- (1) If you operate the Restaurant or sell any products or services authorized by us at any location other than the Franchise Location;
- (2) If you fail to construct the Restaurant in accordance with Section III;
- (3) If you fail to open the Restaurant for business within the period specified in Section III.D.;
- (4) If you at any time cease to operate or otherwise abandon the Restaurant, or lose the right to occupy the Franchise Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Restaurant is located; provided, that this provision shall not apply upon the occurrence of an event of Force Majeure, if you apply within 30 days after such event for our approval to relocate or reconstruct the Restaurant and you diligently pursue such reconstruction or relocation. Our approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Restaurant is not in operation;
- (5) If a threat or danger to public health or safety results from the construction or operation of the Restaurant;
- (6) If you or any of your Owners is convicted of, or has entered a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;
- (7) If you or any of your Owners transfer or attempt to transfer any rights or obligations under this Agreement or any interest in you or the Restaurant contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E.;
- (8) If, contrary to the terms of Section XI.B., you or any of your Owners disclose or divulge any Confidential Information;
- (9) If you knowingly maintain false books or records, or submit any false reports to us;
- (10) If you breach in any material respect any of the covenants, or have falsely made any of the representations or warranties, set forth in Section VII., or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;
- (11) If you fail to comply with our quality assurance program (including any applicable cure periods provided under such program);
- (12) If you or any of your Owners commit three events of default under this Agreement within any 12 consecutive month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;
- (13) If your assets, property or interests are “blocked” under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation; or

(14) If you or any of your Affiliates are in default of any other franchise agreement with us and fail to cure such default within the applicable cure period, if any.

C. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVIII.A. and XVIII.B. of this Agreement, upon any default which is capable of being cured, we may terminate this Agreement by giving you written notice of termination stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require (“cure period”). If the default is not cured within the cure period, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If you fail to procure and maintain the insurance policies required by Section XIII. and fail to cure such default within seven days following notice from us;

(2) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within 24 hours following notice from us;

(3) If you fail to obtain the execution of the confidentiality and related covenants as required under Section XI.E. of this Agreement and fail to cure within ten days following written notice from us;

(4) If you or any of your Affiliates fail, refuse, or neglect promptly to pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial or other information we require under this Agreement, and do not cure such default within five days following notice from us;

(5) If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.C. of this Agreement and fail to cure such default within ten days following notice from us;

(6) If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, and fail to cure such default within 30 days following notice from us;

(7) If you fail to designate a qualified replacement Operating Principal or General Manager within 30 days after any initial or successor Operating Principal or General Manager ceases to serve or if your Operating Principal or any Manager fails to satisfactorily complete our Initial Training program and you fail to cure such default within 60 days following notice from us; or

(8) If you fail to comply with any other requirement imposed by this Agreement, or fail to carry out the terms of this Agreement in good faith and fail to cure such default within 30 days following notice from us.

D. Step In Rights. To prevent any interruption of the business of the Restaurant, you hereby authorize us, and we will have the right, but not the obligation, to operate the Restaurant on your behalf for as long as we deem necessary and practical, and without waiver of any other rights or remedies we may

have under this Agreement, in the event that: (a) your Operating principal or Manager is absent or incapacitated by reason of illness, death or disability, your operation endanger the health or safety of the public, you abandon the Restaurant, you fail to fail to comply with our quality assurance program, you fail any required inspections, and any other non-compliance by you where we, in our sole discretion, determine that you are not able to operate the Restaurant in full compliance with this Agreement, or (b) any allegation or claim is made against your or any of your principals, or the operation of the Restaurant, involving or relating to fraudulent, deceptive, unsafe, or illegal practices or activities. If we, or our designee, undertake to operate the Restaurant pursuant to this Section, we shall have the right to collect and pay from the revenues of the Restaurant all operating expenses including, without limitation, Royalty Fees and employee salaries, and further shall be entitled to collect, as compensation for our efforts, a reasonable management fee. You will indemnify and hold us and, if applicable, our designee, harmless from any and all claims arising from our, our employees and agents, and our designees and their employees and agents, the alleged acts and omissions.

## **XIX. POST-TERMINATION**

A. Your Obligations Upon Termination. Upon the termination or expiration of this Agreement for any reason, all rights granted to you will terminate, and you must:

(1) Immediately cease to operate the Restaurant under this Agreement, and not thereafter refrain, directly or indirectly, from representing to the public or holding yourself out as one of our present or former franchisees.

(2) Immediately and permanently cease to use the Marks in any manner whatsoever, including, without limitation, all signs, advertising materials, displays, stationery, forms and any other items which display the Marks. At our request, you agree to promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks. We will have the right to inspect these materials and the option, exercisable within 30 days after such inspection, to purchase any or all of the materials at your cost. Materials we do not purchase cannot be used by you or any other person for any purpose unless authorized in writing by us.

(3) Take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains any Mark, and furnish us with satisfactory evidence of compliance within five days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, and not use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

(5) Promptly pay the Liquidated Damages owed pursuant to Section XIX.C. and all sums owing to us and our Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section XIX.

(6) Promptly deliver to us all Confidential Information and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.

(7) Comply with the restrictions against the use and disclosure of Confidential Information and against competition contained in Section XI. of this Agreement and cause any other person required to execute similar covenants pursuant to Section XI. also to comply with such covenants.

(8) At our option, assign to us all rights to the telephone numbers of the Restaurant and any related Yellow Pages trademark listings, as well as all rights to any Internet websites including, without limitation, social media sites, domain names, URLs, listings, services, search engines or systems and any other business listings related to the Restaurant. You must execute all forms and documents required by us, the telephone company, any Internet service provider, social media or domain name registrar, or other third party to transfer the telephone service, telephone numbers, domain names and other rights listed above to us. You hereby appoint us as your true and lawful agent and attorney- in-fact with full power and authority, for the sole purpose of taking all action necessary to complete such assignment; this power of attorney will survive the expiration or termination of this Agreement. After the assignment, you must use different telephone numbers, domain names and listings at or in connection with any subsequent business it may conduct.

(9) If we do not elect to exercise our option to acquire the lease for the Franchise Location (as described below), you agree to make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Restaurant from that of other Boston's Restaurants, and, if you fail or refuse to do so, we shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense.

B. Our Post-Term Purchase Options. Upon the termination or expiration of this Agreement, we shall have the following options:

(1) The option, exercisable by giving written notice to you within 60 days from the date of such termination or expiration, as applicable, to acquire the Franchise Location and any or all of the assets of the Restaurant from you (subject to any rights of approval retained by the owner of the leasehold). We may determine in our sole discretion which assets we wish to purchase on a case-by-case basis. You acknowledge and agree that regardless of whether we elect to assume your interests in a lease or sublease pursuant to Section XIX.B.(2), we shall have no obligation to pay you any amount for leasehold improvements made by you to the premises of the Restaurant. You also acknowledge and agree that we shall have no obligation under any circumstances to reimburse or otherwise compensate you for any customer information, goodwill, business start-up costs, or other losses during start-up. The date on which we notify you whether or not we are exercising our option is referred to as the "Notification Date." We will have the unrestricted right to assign this option and we or our assignee will be entitled to all customary warranties and representations in connection with the asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and a general release.

(2) The option, separate and apart from our option in Section XIX.B.(1), exercisable at the time and in the manner set forth in Section XIX.B.(1), to assume your leasehold interest in the Franchise Location or, if you own the Franchise Location, to enter into a lease agreement with you. If we exercise our option, you agree to assign your leasehold interest to us; or if you own the Franchise Location, to lease the Franchise Location to us at a reasonable commercial rent and upon terms comparable to rental terms for similar leased property in the marketplace where the

Restaurant is located. You acknowledge and agree that we shall have no obligation under any circumstances to reimburse or otherwise compensate you in connection with any such lease assignment, including, without limitation, no obligation to reimburse or otherwise compensate you for any leasehold improvement costs or expenses or other costs or expenses incurred by you in connection with the premises of the Restaurant. You also acknowledge and agree that we shall have no obligation under any circumstances to reimburse or otherwise compensate you for any customer information, goodwill, business start-up costs, or other losses during start-up.

(3) If we exercise our option under Section XIX.B.(1) to purchase the assets of the Restaurant from you, the purchase price for the assets will be their fair market value, determined in a manner consistent with reasonable depreciation of the Restaurant's leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The age and condition of the improvements, equipment, fixtures, furnishings, decor, and signs of the Restaurant will also be considered in determining the fair market value. We may exclude from the assets we elect to purchase cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Restaurant's operation or that we have not approved as meeting the standards for Boston's Restaurants, and the purchase price will reflect such exclusions.

(4) If we and you are unable to agree on the fair market value of the Restaurant's assets, or the fair rental value of the Franchise Location, such fair market value (or fair rental value) will be determined by three independent appraisers who collectively will conduct one appraisal. We will appoint one appraiser, you will appoint one appraiser, and those appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within 15 days after the Notification Date, and we and you agree that we will instruct the two appraisers so chosen to appoint the third appraiser within 15 days after the date on which the last of our appointed appraisers is appointed. You and we will each bear the cost of our own appraiser and share equally the fees and expenses of the third appraiser. We and you agree that we will instruct the three appraisers to complete their appraisal within 30 days after the third appraiser's appointment.

(5) The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after the determination of the purchase price. We will have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Restaurant which may be assigned or transferred; and (iii) a leasehold interest in (or unencumbered title to) the Franchise Location and improvements. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. As a condition of our purchase of the Restaurant, you and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our subsidiaries, shareholders, officers, directors, employees, agents, successors and assigns.

(6) We may assign our options under this Section XIX.B. to any person or entity without your consent.

(7) If we elect to exercise, or anticipate electing to exercise, our right to purchase as described in this Section XIX, we may also elect to step in to operate the Restaurant immediately on written notice to you, where the terms of such step-in rights will be governed by Section XVIII.D of this Agreement. This right to operate will continue until the purchase closes or until we no longer intend to exercise our right to purchase.

C. Liquidated Damages. You acknowledge that in the event this Agreement is terminated as a result of your default, such termination may result in lost future revenue and profits to us, harm to the goodwill associated with the System and the Marks, and increased costs to redevelop or re-franchise the market in which the Restaurant is to be located. You and we agree that such damages may be difficult to quantify or estimate. Therefore, you agree to pay to us, as liquidated damages for the premature termination of this Agreement and not as a penalty for breaching this Agreement or in lieu of any other payment, the applicable amount listed below:

(1) If termination occurs before the Restaurant opens for business, the sum of \$100,000.

(2) If termination occurs after the Restaurant opens for business, an amount equal to the average monthly royalty fees and Advertising Fund Contributions payable during the immediately preceding six months (or, if the Restaurant has been opened for less than six months, payable during the actual operating period) multiplied by the lesser of (i) 36 months or (ii) the number of months remaining in the term of this Agreement.

You acknowledge that a precise calculation of the damages we will incur in the event this Agreement is terminated as a result of your default is difficult in the extreme, and agree that the Liquidated Damages provided under this Section XIX.C. are reasonable in light of the damages which we will incur. In addition to our right to the payment of Liquidated Damages, we shall be entitled to seek damages or equitable relief for the harm caused by the conduct which gave rise to the termination, and to obtain such other relief in law or equity as provided for in this Agreement, including without limitation, enforcing compliance with the post-termination obligations set forth herein; but we shall not be entitled to recover damages for lost future revenue or profits in excess of the Liquidated Damages specified herein.

**XX. MISCELLANEOUS**

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us: Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Attention: President  
Telephone: 972-484-9022  
Facsimile: 972-484-7630

Notices to you and your Owners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_



Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. An affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVIII.B.(4), you must continue to pay to us any and all amounts that you have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of the Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Section XVI. Except as provided in Section XVIII.B.(4) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

E. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

F. **MEDIATION**. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US

**AND YOU, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.**

**(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN 15 DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION (“AAA”) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO DALLAS, TEXAS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS’ FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.**

**(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION XX.G WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.**

**(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION XX.F., YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS, THE CONFIDENTIAL INFORMATION, OR ANY AMOUNTS YOU OWE TO US OR OUR AFFILIATES. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.**

**G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION XX.F. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS (DALLAS DIVISION) AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND WE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS.**

**H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES.**



**I. PARTIES' ACKNOWLEDGMENTS. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.**

**J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO SECTION XVI. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

**K. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS OWED TO US PURSUANT TO THIS AGREEMENT AND CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION XVI., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO YEARS FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.**

**L. JURY WAIVER. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.**

**M. Costs And Attorneys' Fees. If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, accounting, attorneys', arbitrators' and related fees.**

**N. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.**

**O. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.**

P. Consents And Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

Q. Owners. If two or more persons are at any time the “Franchisee” under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

R. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

S. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

T. Survival. The dispute resolution provisions set forth above in Sections XX.F. through M. and any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration or transfer.

U. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

V. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section XVIII. of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

W. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section XV.), any rights or remedies under or as a result of this Agreement.

X. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

Y. Our Business Judgment. Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Z. Entire Agreement. This Agreement, the documents referred to herein, and any exhibits, attachments and addenda hereto, constitute the entire, full and complete agreement between you and us and the Owners concerning the subject matter hereof and shall supersede all prior related agreements. You expressly represent and acknowledge that you have received and reviewed the Agreement in its entirety and have had an opportunity to retain an attorney to review the terms and conditions of the Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

(Signatures on next page.)

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

**FRANCHISOR:**

BOSTON PIZZA RESTAURANTS, LP  
a Delaware limited partnership

By its general partner  
BPR GP, INC.  
a Delaware corporation

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

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

**FRANCHISEE:**

\_\_\_\_\_

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

**ATTACHMENT A**

**SELECTED TERMS:**

**FRANCHISE LOCATION, PROTECTED AREA,  
OPENING DATE AND REFURBISHMENT DATE**

1. FRANCHISE LOCATION:

The Restaurant shall be located at the following address: \_\_\_\_\_

2. PROTECTED AREA:

The Protected Area shall be: The geographic area within a \_\_\_\_\_-mile radius around the Franchise Location.

3. OPENING DATE: The Opening Date of the Restaurant is \_\_\_\_\_, 20\_\_.

4. REFURBISHMENT DATE:

The Refurbishment Date of the Restaurant is seven (7) years from the Opening Date.

**ATTACHMENT B**

**OWNERSHIP SCHEDULE**

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:

<b>NAME</b>	<b>OWNERSHIP INTEREST IN YOU</b>	<b>NATURE OF INTEREST</b>

2. Your Operating Principal is: \_\_\_\_\_

## ATTACHMENT C

### OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Owners' Guaranty and Assumption Agreement ("Guaranty") is given on \_\_\_\_\_ by the undersigned in connection with the Franchise Agreement dated \_\_\_\_\_ between Boston Pizza Restaurants, LP ("Franchisor") and \_\_\_\_\_ ("Franchisee").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (each, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually perform all obligations of Franchisee and pay all amounts due under the Franchise Agreement (the "Agreement"), including, without limitation, amounts due for initial franchise fees, royalties, marketing and advertising fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and
- (ii) he or she will render any payment or performance required under the Agreements upon demand if Franchisee fails or refuses punctually to do so; and
- (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person. This Guaranty is a guaranty of payment, not of collection; and
- (iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreements and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Agreement; and

- (v) Franchisee’s written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of your Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections VII., XI., XV. and XVI. and Sections XX.F. through M. (which include, among other things, the mediation of disputes). **THESE INCLUDE A NUMBER OF PROVISIONS THAT MAY AFFECT THE LEGAL RIGHTS OF THE UNDERSIGNED, INCLUDING A WAIVER OF JURY TRIAL, WAIVER OF PUNITIVE OR EXEMPLARY DAMAGES AND LIMITATIONS ON WHEN CLAIMS MAY BE RAISED.**

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

**IN WITNESS WHEREOF**, each Guarantor has hereunto affixed his signature on the same day and year as the Franchise Agreement was executed.

**GUARANTORS**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Insert Home Address  
Insert Home Phone No.  
Insert Email Address:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Insert Home Address  
Insert Home Phone No.  
Insert Email Address:





**ATTACHMENT D**

**PRINCIPAL’S UNDERTAKING**

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto, (collectively, “Agreement”) dated \_\_\_\_\_ by and between **Boston Pizza Restaurants, LP**, a Delaware limited partnership (“Franchisor”) and **[Insert Name of Franchisee]** (“Franchisee”), the undersigned **[Insert Name of Non-Controlling Principal]** (“Principal”) agrees as follows:

1. The undersigned Principal acknowledges and agrees as follows:
  - (a) The undersigned is a “Non-Controlling Principal,” as defined in the Agreement, and has read the terms and conditions of the Agreement and acknowledges that the execution of this Principal’s Undertaking is in partial consideration for, and a condition to, the granting of the development rights, and that Franchisor would not have granted the development rights without the execution of this Principal’s Undertaking; and
  - (b) Without limiting any of Franchisee’s obligations under the Agreement, Principal (i) makes all of the covenants, representations, warranties and agreements set forth in Sections VII.E. (Legal Compliance), XI. (Confidentiality and Non-Competition), XV. (Transfer of Interest), and XX.F. through M. (Dispute Resolution) of the Agreement and is obligated to perform thereunder; and (ii) represents that each and every representation of Franchisee made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned’s execution of this Principals’ Undertaking.
2. The obligations of Principal are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against the Principal, whether or not actions are brought against Franchisee or whether Franchisee is joined in any such action.
3. This Principal’s Undertaking shall be governed by and interpreted in accordance with the laws of the State of Texas, without regard to its conflicts of law principles. This Principal’s Undertaking is enforceable by and against the respective administrators, executors, successors and assigns of the Principal and the death of any Principal shall not terminate the liability of such Principal or limit the liability of other Principals hereunder.

IN WITNESS WHEREOF, the undersigned has executed this Principal’s Undertaking effective as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

**Insert Name**  
**Insert Home Address**  
**Insert Home Address**  
Telephone  
E-Mail



## ATTACHMENT E

### CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Confidentiality and Noncompetition Agreement (“Agreement”) is made and entered into this on \_\_\_\_\_ between \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Covenantor” or “you”) in connection with a Franchise Agreement between Boston Pizza Restaurants, LP (“Franchisor”) and Franchisee dated \_\_\_\_\_ (“Franchise Agreement”). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

#### RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Boston’s Restaurants.

The System includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor granted Franchisee the right to operate a Boston’s Restaurant pursuant to the Franchise Agreement.

You are employed by Franchisee, and it will be necessary for you to have access to some or all of the Confidential Information.

Franchisor and Franchisee have agreed on the importance of restricting the use, access, and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### AGREEMENT

##### Confidentiality Agreement

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by Franchisee in connection with the operating of a Boston’s Restaurant under the Franchise Agreement.
2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.
3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee’s other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Restaurant.
4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of your employment by Franchisee.
5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.



6. You acknowledge that Franchisee is provided with access to all Manuals for limited purposes only and remain Franchisor's property. You agree that no Manuals may be reproduced, in whole or in part, without our written consent.

### **Covenants Not to Compete**

1. In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your employment by Franchisee, and for a period of one (1) year following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, you will not, without Franchisor's prior written consent or as permitted under other valid Franchise Agreements between Franchisee and Franchisor:

a. Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston's Restaurant or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System; and

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business which is, or is intended to be, located (i) at the Franchise Location, (ii) within the Protected Area, or (ii) within a 10-mile radius of any Boston's Restaurant then in existence or under construction.

2. As used herein, the following terms have the meanings set forth below:

a. "Franchise Location" means **[Insert address of Franchise Location]**

b. "Protected Area" means **[Insert the description from the Agreement]**

b. "Competitor" or "Competitive Business" means any business that is the same as or substantially similar to a Boston's Restaurant, including any sports bar and grill, or comparable casual dining facility with multiple televisions, which offers, alone or with other food options, pizza and/or pasta dishes.

### **Franchisee's Undertaking**

Franchisee agrees to make all commercially reasonable efforts to ensure that you comply with this Agreement.

### **Miscellaneous**

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or Franchisor's other business interests. The time periods relating to the obligations set forth in this Agreement will be tolled for any period of non-compliance.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor and Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or

attempted breach of any provision hereof, you agree that Franchisor and/or Franchisee shall be entitled, in addition to any other remedies which Franchisor or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and/or Franchisee in enforcing this Agreement.

3. Any failure by Franchisor or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

**4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMITS YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.**

5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

6. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties. If directed to Franchisor, the notice shall be addressed to:

Boston Pizza Restaurant, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Attention: President  
Telephone: 972-484-9022  
Facsimile: 972-484-7630

If directed to Franchisee, the notice shall be addressed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_

If directed to Covenantor, the notice shall be addressed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

7. Franchisor and its successors and assigns shall be third-party beneficiaries of this Agreement, with the full and independent right, at Franchisor’s and their option and in Franchisor’s and their sole discretion, to enforce this Agreement. Franchisor’s rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor’s Affiliates, successors, and assigns. Your obligations and those of Franchisee may not be assigned without Franchisor’s prior written consent.

**IN WITNESS WHEREOF**, the undersigned have entered into this Agreement as witnessed by their signatures below.

**FRANCHISEE:**

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

**COVENANTOR:**

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

## ATTACHEMENT F

### BOSTONLINK AGREEMENT

**THIS AGREEMENT** is made effective \_\_\_\_\_ between **Boston Pizza Restaurants, LP**, a Delaware limited partnership (“BPR”), whose principal place of business is 14850 Quorum Drive, Suite 201, Dallas, Texas, 75254, Facsimile No. 972-484-7630 for US Franchisees, and **Insert Franchisee Name**, of **Insert Franchisee Address** Facsimile No. **Insert Franchisee Fax Number** (“Franchisee”).

**WHEREAS**, BPR provides a private intranet at *www.bostonlink.org* (the “**BostonLink**”) containing trade secrets and confidential information intended by BPR to be available only to its employees, developers, franchisees and others associated with the BPR System (defined below) for their use only in a fashion authorized by BPR;

**WHEREAS**, Franchisee wishes to have access, and to allow Users (defined below) to have access to the BostonLink and BPR has agreed to allow Franchisee and Users to have access on the terms and conditions herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, Franchisee and BPR agree as follows:

#### 1. DEFINITIONS

In this Agreement:

“Affiliate” means any corporation which is Controlled by or which Controls BPR or any other corporation Controlled by, or which Controls BPR, whether such Control be direct or indirect.

“BPR Manuals” means the copyrighted BPR System series of manuals owned by BPR, as revised by BPR from time to time, together with all computer media (e.g., information posted on the BostonLink, computer software and CD-Roms) and electronic communications via the Internet (e.g., email) provided, or made available, by BPR to Franchisee or the Users.

“BPR System” means the franchised system of full service, casual dining restaurants (the “BPR Restaurants”) featuring pizza, pasta and other food specialties, beverages and forms of entertainment, which operate under one or more of the trade-marks of BPR; including, without limitation, procedures for developing new BPR Restaurants, preparing foods and beverages, conducting advertising and other marketing, training and ongoing administrative support to franchisees.

“Control”, “Controls” and “Controlled” includes, without limitation: the right to exercise a majority of votes which may be cast at a general meeting of a corporation; and the right to elect or appoint, directly or indirectly, a majority of the directors of a corporation or one or more other persons who have the right to manage or supervise the management of the affairs and business of the corporation.

“Franchise Agreement” means the Franchise Agreement between BPR and Franchisee dated as of the date of this Agreement, as amended from time to time, and each renewal or replacement thereof.

“User” or “Users” means that person or persons who access the BostonLink through a user account created by BPR at the request of Franchisee and who are employed by Franchisee.

#### 2. LIMITED LICENSE

BPR hereby grants to Franchisee a limited license, revocable in BPR’s sole discretion, to access and use the BostonLink in accordance with the terms of this Agreement.

**3. INFORMATION PROVIDED**

Whenever Franchisee or any User provides any information to BPR through the BostonLink, Franchisee irrevocably agrees that BPR may use that information in the same manner as the information provided by Franchisee to BPR under the Franchise Agreement.

**4. CONSENT TO COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION**

Franchisee acknowledges that BPR shall collect personal information from Franchisee in several ways, such as through application forms, surveys, inspection reports, emails, communications between Franchisee or the Users and BPR, from information submitted by Franchisee through the BostonLink, and from information collected by BPR from references, search agencies, financial institutions, credit reporting agencies and other sources. Franchisee acknowledges that any personal information collected about Franchisee by BPR shall be used by BPR to provide services over the BostonLink, to protect the Confidential Information defined hereunder, and to ensure Franchisee and the Users comply with this Agreement and other applicable agreements and laws. Franchisee also acknowledges that Franchisee’s personal information may be distributed to third parties including landlords, financial institutions, financial and legal advisors and government bodies for any of the same purposes. Franchisee irrevocably consents to BPR collecting, using and disclosing Franchisee’s personal information for any of the above purposes. In addition, and without limiting the foregoing, BPR may disclose any information you provide to, on or through BostonLink (i) when BPR believes disclosure to be appropriate to comply with any law, regulation, or government request or to comply with judicial process; or (ii) if such disclosure is necessary or appropriate to operate BostonLink; or (iii) to protect the rights or property of BPR, other BostonLink users, or any of BPR’s customers, franchisees, or affiliates. Franchisee grants BPR a non-exclusive, royalty free, perpetual, irrevocable, worldwide and universal license to use and display all information and content provided on the BostonLink by Franchisee on the BostonLink and in any other medium and to perform all actions in relation to that content as BPR deems fit. BPR may delete or modify any of the content without notice and without reason.

**5. FORUMS AND LINKS TO OTHER WEB SITES**

BPR is not responsible for, and shall not be liable for any damages caused by, the information or comments provided on any BostonLink web page modules or any web pages displaying information from sources other than BPR including the following:

Module	Description
Discussion/Forums	An area to share information with other users of the BostonLink.
Important Information	The <i>Important Information</i> page shows Mailings and Seminar dates. Mailings can include memos, manual updates, new menus, and other important information.
My Mail	The <i>My Mail</i> area provides access to Franchisee’s mailbox. Mail messages can be read, saved, deleted, replied to, and forwarded. New messages can also be composed and sent.
Supplier Links	The <i>Suppliers and Links</i> page displays the various Suppliers and Links that relate to BPR.

**6. MONITORING**

BPR has the right, but not the obligation, to monitor or log use of the BostonLink by one or both of Franchisee and the Users (including any information in the discussion forums and mail portions of the BostonLink), to determine whether Franchisee and the Users are complying with this Agreement, and any other agreements between BPR and Franchisee or the User. Franchisee irrevocably consents to such

monitoring and collection of information. BPR may delete, remove or block access to any such information at any time without notice.

## **7. CONFIDENTIAL INFORMATION**

Franchisee acknowledges that BPR and its Affiliates are the owners of all proprietary rights in and to the materials and information revealed in or through the BostonLink including trade secrets, techniques, procedures, methods, menus, format and the BPR Manuals (collectively, the “Confidential Information”). Franchisee acknowledges that the Confidential Information is highly confidential. The Confidential Information is revealed in strictest confidence and Franchisee covenants to keep and respect the confidence so reposed. Franchisee shall not use, and shall not permit any of the Users to use, the Confidential Information for any purpose inconsistent with the Franchise Agreement, or reveal the Confidential Information to any person, firm, corporation or entity whatsoever, unless such information becomes public knowledge through no fault of Franchisee. Subject to the following sentence, Franchisee shall not copy or reproduce or permit to be copied or reproduced, any of the Confidential Information. Franchisee may download information from the BostonLink if specifically authorized to do so on the website (the “Downloaded Information”). Franchisee also acknowledges that various information shall be automatically downloaded and stored by Franchisee’s computer upon accessing the BostonLink (the “Automatic Downloads”). The Downloaded Information and the Automatic Downloads are Confidential Information and Franchisee shall protect that information and all such electronic information in the same manner as set out above. Franchisee acknowledges that:

(a) the Confidential Information is also protected by the Franchise Agreement. If there is any conflict between this Agreement and the Franchise Agreement with regard to Confidential Information, then the Franchise Agreement shall prevail, and

(b) theft or misappropriation of trade secrets is subject to serious criminal sanctions and civil liability under applicable law, that the Confidential Information constitutes trade secrets, and that the theft or misappropriation of any information from the BostonLink shall be prosecuted to the full extent of the law.

## **8. RESTRICTION OF LIABILITY**

The BPR Link and the information contained thereat are provided “As Is” without warranty of any kind (expressed or implied) including, but not limited to, any warranty of merchantability, title, non-infringement, durability or fitness for a particular purpose. The material contained in the BostonLink may not be correct, accurate or reliable and may include technical inaccuracies or typographical errors. BPR does not warrant that the functions contained in the material on the BostonLink shall be uninterrupted or error free, that defects shall be corrected, or that the site or the server that makes it available are free of viruses or other harmful components. In no event shall BPR or any of its Affiliates or their officers, directors, shareholders, employees or representatives be liable to Franchisee, the Users or any third parties for any loss or injuries to earnings, profits, goodwill, data or otherwise, or for any incidental, special, punitive or consequential damages, or for any other damages of any sort whether arising in contract tort or otherwise, caused by or arising in connection with the BostonLink, including but not limited to loss associated with:

- (a) any service interruption;
- (b) any hardware or software malfunction;
- (c) any display or misdisplay of any content provided by Franchisee or the Users;
- (d) the provision of any inaccurate or incorrect information; or
- (e) any failure of performance, error, omission, delay in operation of transmission, computer virus, or line failure. The above limitation or exclusion may not apply to the extent that



applicable law may not allow the limitation or exclusion of liability for incidental or consequential damages.

## **9. FRANCHISEE'S REPRESENTATIONS AND COVENANTS**

Franchisee represents to and covenants with BPR that:

(a) Franchisee and its User(s) shall use the BostonLink in a manner consistent with all applicable laws and regulations,

(b) all information and content posted on the BostonLink by Franchisee and its Users shall be accurate, truthful, lawful, and shall not be defamatory, obscene, offensive, or in violation of any third parties' intellectual property rights, and shall not contain any virus or any other harmful material;

(c) Franchisee will use only the email address that Franchisor assigns to Franchisee for all business communications. Franchisee will not independently market on the Internet or use any domain name, address, locator, link, metatag or search technique with words or symbols the same or similar to the Proprietary Marks. Franchisee shall advertise on the Internet using the official website for Boston's Restaurants maintained by Franchisor and shall not maintain a separate website. All Internet marketing must be coordinated through and approved by Franchisor.

## **10. INDEMNITY**

Franchisee shall maintain the security of the Users' user names and passwords. Franchisee and the Users shall be jointly and severally responsible and liable for all activities conducted under the Users' user name and password. Franchisee shall indemnify and hold BPR and its Affiliates and their officers, directors, shareholders, employees or representatives harmless from and against all claims, taxes, damages, costs (including lawyers' accounts) from any source or for any reason, including but not limited to claims arising in tort law, or relating directly or indirectly to Franchisee's and the Users' BostonLink account(s), Franchisee's and the Users' access to the BostonLink, Franchisee's breach of this Agreement regardless of any negligence of the indemnitees.

## **11. REVOCATION OF RIGHT TO ACCESS**

BPR shall have no obligation to provide or continue to provide access to the BostonLink. BPR reserves the right to deny Franchisee or any Users access to the BostonLink from time to time or completely without notice.

## **12. USERS**

Franchisee shall not allow anyone to have access to the BostonLink except a User who has been approved by BPR as follows:

(a) Franchisee shall submit to BPR, in a form prescribed by BPR from time to time, a request that its manager or other supervisory personnel have access to the BostonLink;

(b) Franchisee shall provide such information and documentation as BPR may reasonably request about the proposed User; and

(c) BPR shall advise Franchisee whether the proposed User is approved.

Franchisee reserves the right, in its sole discretion, to deny without cause the application for anyone to become a User.

Franchisee acknowledges that the Users shall at all times be deemed to be acting on behalf of Franchisee. Franchisee shall be responsible for ensuring that each User complies with the terms of this Agreement, all other agreements between BPR and Franchisee, and with all applicable laws.

## **13. LICENSE**



Franchisee grants BPR a non-exclusive, royalty free, perpetual, irrevocable, worldwide and universal license to use and display all information and content provided on the BostonLink by Franchisee and the Users on the BostonLink and in any other medium and to perform all actions in relation to that content as BPR deems fit. BPR may delete or modify any of the content without notice and without reason.

**14. WAIVERS**

The failure of a party to insist upon the strict performance of any provision of this Agreement, or to exercise fully or at all any right, or remedy contained in this Agreement, shall not be construed as a waiver or a relinquishment by that party for the future of the right to insist upon full performance or exercise any such right or remedy.

**15. SEVERABILITY**

If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such term or portion thereof, and the remaining portion of the term and all other terms of this Agreement shall continue in full force and effect. The parties shall negotiate in good faith to agree to a substitute term that shall be as close as possible to the intention of any term found to be invalid or unenforceable in whole or in part while being valid and enforceable. The invalidity or unenforceability of any provision in whole or in part in any particular jurisdiction shall not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

**16. ENTIRE AGREEMENT**

This Agreement and the Franchise Agreement constitute the entire, full and complete agreement between the parties hereto concerning the subject matter hereof, and supersede all prior agreements. With the exception of the franchise disclosure document described in Section VII.F.(1) of the Franchise Agreement, no other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on the parties hereto unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

**17. NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, or dispatched by overnight delivery envelope, or transmitted by facsimile or sent by other electronic means if the sender can verify receipt. Notices shall be sent to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to BPR: Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Attention: President

Notices to Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
With a Copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any notice sent by certified mail shall be deemed to have been given at the date and time of attempted delivery.

#### **18. ASSIGNMENT**

Franchisee may not assign this Agreement without the prior written consent of BPR. BPR may assign this Agreement to any party in its sole discretion without Franchisee's consent. Any purported assignment by Franchisee, by operation of law or otherwise, not having the written consent of the BPR shall be null and void and shall constitute a material breach of this Agreement, for which BPR may immediately terminate this Agreement without opportunity to cure.

#### **19. CAPTIONS**

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

#### **20. FURTHER ASSURANCES**

Each party shall from time to time execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary, to give full effect to this Agreement and to make this Agreement legally effective, binding, and enforceable as between them and as against third parties.

#### **21. SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, personal representatives, successors and permitted assigns. Each of the Affiliates is also entitled to all benefits of BPR hereunder.

#### **22. GOVERNING LAW**

This Agreement takes effect upon its acceptance and execution by BPR. **THIS AGREEMENT SHALL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICT OF LAW RULES SHALL NOT APPLY.**

The parties hereto mutually agree that the U.S. District Court for the Northern District of Texas, or if such court lacks jurisdiction, the state courts located in Dallas County, Texas, shall be the venue and exclusive forum in which to adjudicate any case or controversy arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and relationship established thereby, however, with respect to any action which includes injunctive relief or other extraordinary relief, BPR may bring such action in any court of competent jurisdiction. The parties irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction of or venue in such courts. The parties mutually agree that personal jurisdiction may be effected by service of process and that when so made shall be as if served personally. This Agreement was executed and accepted at BPR's place of business in Dallas County, Texas. The parties anticipate that the performance of certain of Franchisee's obligations arising under this Agreement, including the payment of certain monies due BPR, shall occur in Dallas County, Texas.

**23. WAIVER OF JURY TRIAL**

**THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER.**

**24. OTHER AGREEMENTS/CROSS DEFAULT**

If there is any conflict between this Agreement and the Franchise Agreement, the Franchise Agreement shall prevail. Franchisee shall be deemed to have committed a “Material Default” of the Franchise Agreement if Franchisee:

- (a) fails to comply with any of its respective obligations hereunder for a period of 14 days after written notice of such default has been delivered by BPR to Franchisee, or
- (b) fails to comply at any time with its obligations under Section 7 of this Agreement.

**IN WITNESS WHEREOF** the parties have hereunto set their hands and seals effective as of the day and year written below.

**BPR:  
BOSTON PIZZA RESTAURANTS, LP  
a Delaware limited partnership**

**By its general partner  
BPR GP, INC.  
a Delaware corporation**

By: \_\_\_\_\_  
[Authorized Signatory]

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

By: \_\_\_\_\_  
[Authorized Signatory]

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

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
[Authorized Signatory]

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

**ATTACHMENT G**  
**POS SUPPORT SERVICES AGREEMENT**





**Boston's**  
THE GOURMET  
**Pizza**<sup>TM</sup>  
RESTAURANT & SPORTS BAR

14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Phone: (972) 484-9022  
Fax: (972) 484-7865

**TERMS OF SERVICE AGREEMENT**

Store Number: \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_

CONTACT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

See schedule A which is an integral part of this agreement.

IN WITNESS WHEREOF the parties hereto have executed this Terms of Service Agreement on the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

**FRANCHISEE**

**BOSTON PIZZA RESTAURANTS, LP  
by its General Partner, BPR GP, INC.**

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

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

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



**SCHEDULE A**  
**TERMS OF SERVICE AGREEMENT**

**1. SERVICES**

1.1 **Services During Regular Business Hours:** BPR shall provide to Customer software telephone support services (the “**Services**”) during regular business hours, which shall be Monday to Friday (statutory holidays excepted), 06:00 (Pacific Time) to 17:00 (Pacific Time) (“**Regular Business Hours**”).

1.2 **Services Outside Regular Business Hours:** In addition to Section 1.1 above, BPR shall provide to Customer the Services for Critical Incidents only (as defined in Section 1.3 below) at times outside of Regular Business Hours, being Monday to Friday, 17:01 (Pacific Time) to 05:59 (Pacific Time) and weekends and statutory holidays.

1.3 **Definition:** In this Agreement a “**Critical Incident**” means any incident experienced by Customer that falls within one of the following categories:

- (a) **Point of Sale Down:** Any incident that renders Customer unable to process orders via order entry;
- (b) **Payment System Down:** Any incident that renders Customer unable to process credit, debit or gift card transactions;
- (c) **All Kitchen Printers Offline:** Any incident that renders Customer unable to print orders to the kitchen; or
- (d) **Kitchen Video System:** Any incident involving technical issues to the kitchen video system.

1.4 **Conditions of Services:** BPR’s obligation to provide the Services is contingent upon Customer’s installation of BPR’s current standard Point of Sale configuration, and Customer’s proper use and maintenance of the required equipment, and does not cover the following:

- (a) recreation of any data lost for any cause whatsoever, including power failures;
- (b) changing of ink ribbons and or paper rolls;
- (c) operator training; or
- (d) supply such items as, but not limited to, paper, ribbons, key locks, batteries, cash trays and cash inserts.

**2. TERM AND TERMINATION**

2.1 **Term:** This Agreement shall commence on the date of this Agreement and shall continue until the immediately subsequent December 31 (the “**Initial Term**”). Upon the expiry of the Initial Term (or any Renewal Term), this Agreement shall automatically renew for additional terms of 12 months each upon the same terms and conditions except that the Service Charge for each Renewal Term shall be the rate determined by BPR at such time (each, a “**Renewal Term**”) unless either party provides the other party a written notice of non-renewal not less than thirty (30) days prior to the expiry of the Initial Term or then current Renewal Term, as applicable. In this Agreement, the “**Term**” means the Initial Term and all Renewal Terms.

2.2 **Termination for Convenience:** Either Party may terminate this Agreement at any time by providing the other Party written notice of termination not less than thirty (30) days prior to the date of termination.

2.3 **Termination for Breach:** If Customer breaches any provision of this Agreement, then BPR may, without any prejudice to any other rights or remedies it may have, immediately terminate this Agreement by providing Customer with a written notice of termination.

**3. CUSTOMER’S AND BPR’S COVENANTS**

3.1 **Customer’s Covenants:** Customer covenants and agrees with BPR that, throughout the Term, the Customer shall observe all of the terms, covenants and conditions of this Agreement, including payment when due of the Service Charges and other costs hereunder.

3.2 **BPR’s Covenants:** BPR covenants and agrees with Customer that, throughout the Term, BPR shall use commercially reasonable efforts to respond to requests for Services:

- (a) if the request is made during Regular Business Hours, then within 30 minutes of BPR receiving the request for Services;
- (b) if the request is made outside Regular Business Hours and the incident for which Customer is seeking Services is a Critical Incident, then within 30 minutes of BPR receiving the request for Services; and
- (c) if the request is made outside Regular Business Hours and the incident for which Customer is seeking Services is not a Critical Incident, then within a reasonable amount of time during the next Regular Business Hours.

**4. SERVICE CHARGES**

4.1 **Charges:** Customer shall pay BPR the following amounts for providing the Services (collectively, the “**Service Charges**”):

- (a) if Customer has a signed software maintenance agreement, then USD \$1250 per calendar year (such rate subject to change with sixty (60) days prior notice given to Customer by BPR) plus all applicable goods and services tax, harmonized sales tax, other sales (the “**Annual Charge**”), except that for the Initial Term of this Agreement, the Annual Charge shall be pro-rated for the portion of the calendar year that the Initial Term comprises; and

4.2 **Invoicing:** BPR shall invoice Customer for the Annual Charge, if applicable, prior to the commencement of the Initial Term and each Renewal Term thereafter. Each such invoice is payable by Customer to BPR upon receipt. Notwithstanding any other provision of this Agreement, BPR shall not be required to perform any of the Services if Customer has not paid all amounts hereunder when due.

4.3 **Services Charges Fully Earned:** Upon any of the Services Charges becoming due and payable by Customer to BPR in accordance with this Agreement, such Services Charges are deemed to be fully earned and non-refundable for any reason whatsoever, including, without limitation, the termination of this Agreement (whether by Customer or BPR).

**5. METHOD OF PAYMENT**

Subject to applicable banking laws and regulations, Customer shall be required to pay all Service Charges (and such other charges as BPR may specify from time to time) by way of electronic transfer directly from the bank account of Customer to



that of BPR. Customer shall assist BPR to establish and shall execute and deliver to BPR any documents that may be reasonably required to permit the electronic transfer of such payments directly from the bank account of Customer to that of BPR. If the electronic transfer (automatic debit) of the Service Charges or any other payment are declined by Customer's bank for any reason, Customer shall promptly pay to BPR, by way of certified cheque or bank draft, the amount of the Service Charges or other payment that was so declined and reimburse BPR for all costs incurred by BPR in connection with such declination, including any reasonable administrative fee as may be set by BPR from time to time.

#### 6. INDEMNITY

Customer shall indemnify and save harmless BPR and its directors, officers, employees, subsidiaries and affiliates against any and all actions, suits, claims, damages, costs and liabilities arising out of or as a result of any breach, violation or non-performance by Customer of the terms, covenants and obligations on the part of the Customer set out in this Agreement or as a result of any third party claim, suit or action arising out of any Service provided pursuant to this Agreement. This Section 6 shall survive the termination or expiry of this Agreement.

#### 7. LIMITATION OF LIABILITY

Customer hereby agrees that under no circumstances shall BPR be liable to the Customer for any loss of service, sales or breach of this Agreement. Further, in no event shall BPR be responsible for any direct, indirect, special or consequential damages, even if BPR is informed about their possible existence, including anticipated loss of profit or revenue, loss of time, cost of capital, down-time costs, cost of substitute goods, facilities, services or replacement power, or other loss incurred by the Customer. BPR's maximum liability to Customer under or in connection with this Agreement is limited to USD \$100. This Section 7 shall survive the termination or expiry of this Agreement.

#### 8. GENERAL

8.1 **Assignment:** Customer shall not assign this Agreement, in whole or in part or any part thereof without the prior written consent of BPR, and the granting of such consent shall be in the absolute discretion of BPR. This Agreement may be assigned by BPR without the consent of Customer. BPR shall not be liable for any obligations hereunder arising after any assignment of this Agreement by BPR.

8.2 **Governing Law / Attornment: Governing Law / Attornment:** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas, without reference

to Texas's conflict of laws rules. Any action arising in any way from this Agreement, the Services or the relationship created by this Agreement shall be brought exclusively in the state or federal courts located in Dallas County, Texas. Each of the Parties hereby irrevocably consents to the jurisdiction of such courts and irrevocably waives any rights to contend that such courts are an inconvenient forum.

8.3 **Relationship of Parties:** The Parties acknowledge and confirm that they are independent contractors. Neither Party is, and nothing in this Agreement or performed under this Agreement shall be represented or construed as constituting any Party as, an agent, representative or partner of the others. Neither Party has any authority to make any representation, guarantee, warranty commitment or agreement on behalf of the other Party, to incur any liability or indebtedness on behalf of the other Party, or otherwise to bind the other Party.

8.4 **Binding Effect:** This Agreement shall endure to the benefit of and be binding upon the Parties and each of their respective successors and permitted assigns.

8.5 **Entire Agreement:** The terms and provisions contained in this Agreement constitute the entire agreement among the Parties with respect to the transactions contemplated by this Agreement, and supersede any previous oral or written communications.

8.6 **Modification:** Except as otherwise provided herein, this Agreement may not be modified or amended except by instrument in writing signed by the Parties to this Agreement.

8.7 **No Contra Proferentum:** Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty shall not be construed against either BPR or Customer by reason of the authorship of any of the provisions of this Agreement.

8.8 **Waiver:** The failure of either Party at any time to require performance by the other of any provision of this Agreement shall not affect the right of that Party thereafter to enforce the provision. The waiver by either Party of any breach of any part of this Agreement shall not be taken or held to be a waiver of any subsequent breach of the same or any other part of this Agreement.

8.9 **Severability:** If any covenant, obligation or term of this Agreement is held to be invalid or unenforceable, then the remainder of this Agreement shall not be affected by the invalid or unenforceable portion and this Agreement shall be construed as though it were executed without reference to the invalid or unenforceable portion of this Agreement.

8.10 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which when executed and delivered (by facsimile or otherwise) shall be deemed to be an original, and all of which together shall constitute one and the same document.



**ATTACHMENT H**  
**ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENTS**



**Boston's**  
THE GOURMET  
**Pizza**<sup>TM</sup>  
 RESTAURANT & SPORTS BAR

14850 Quorum Dr, Ste 201  
 Dallas, TX 75254

**AUTHORIZATION AGREEMENT FOR ACH PAYMENTS**

Company Name: \_\_\_\_\_ Store # \_\_\_\_\_

The above-named company (“**Company**”) hereby authorizes Boston Pizza Restaurants, LP, Boston Pizza Restaurants (U.S.A.) Inc., and their respective affiliates, subsidiaries and designees (individually and collectively “**Boston**”), to originate Automated Clearing House electronic fund transfer debit entries to the Company’s bank account designated below and, if necessary, ACH credit entries and reversals of erroneous ACH entries. Company agrees to be bound by the NACHA Operating Rules and acknowledges that all ACH entries must comply with provisions of U.S. law.

Bank \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Transit/ABA # \_\_\_\_\_ Checking Account # \_\_\_\_\_

This authorization will remain in effect until Boston has received written revocation from Company at Boston’s address shown above in such time and manner as to afford Boston a reasonable opportunity to act on it. By signing below, I certify to Boston that I have the authority to act for and bind the Company to this authorization.

A copy of a voided check is attached.

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

Print name: \_\_\_\_\_, acting on behalf of Company

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



[Franchisee must complete Paytronix Systems, Inc.'s then-current Franchisee Service Agreement and ACH Form online at [https://paytronix.formstack.com/forms/franchisee\\_ach\\_agreement](https://paytronix.formstack.com/forms/franchisee_ach_agreement). The Franchisee Service Agreement form, as of the Issuance Date, is below.]

Paytronix Systems, Inc.  
80 Bridge Street  
Newton, MA 02458  
617-649-3300  
Billing@paytronix.com



## PAYTRONIX FRANCHISEE SERVICE AGREEMENT

The Franchisor has a master agreement with Paytronix Systems, Inc. (Paytronix) to provide the Hosted Services listed above to all of the Franchisor's owned and franchised locations, of which the Franchisee owns one or more franchised locations. This Service Agreement is between Paytronix and the Franchisee who hereby agree:

### 1. DEFINITIONS

**Hosted Services** means the services provided to Franchisee via software applications hosted by Paytronix (such as, for example, loyalty program services, stored value card services, merchant web based access to rules and reports, customer web access to account information, or other services).

**Deployment Service** means the services provided to Franchisee to install the Hosted Services and Software.

**Support Services** means the services provided to Franchisee to support the Hosted Services.

**Services** means the Hosted Services, Deployment Services and Support Services provided by Paytronix.

**Client System** means all equipment and ancillary services needed to connect to, access or otherwise use the Services via the Internet or dial-up (including without limitation, computer servers, point of sale devices, modems, software and network and communication services).

**Software** means all computer programs that are developed by Paytronix and installed on the Franchisee's Systems, computer programs that are executed or maintained on the Hosted Services, the user guide and other documentation from Paytronix, and all updates to any of the foregoing.

**2. LICENSES.** Paytronix grants to Franchisee a nonexclusive, nontransferable license to use the Software and Service, at the retail locations listed in the Franchisee Service Agreement and ACH Form, as may be amended from time to time per the configuration listed, solely for operating the Hosted Services.

### 3. CONFIDENTIALITY.

**Definition.** "Proprietary Information" means all financial, business, marketing, customer, operations, technical, economic or engineering information; trade secrets and software of a party; including, in each case, all originals, copies, notes, analyses, digests and summaries prepared in any form, which is disclosed to or otherwise acquired by the other party in relation to this Agreement, and either (a) disclosed in tangible form and marked as confidential at the time of disclosure or (b) disclosed in any manner such that a reasonable person would understand the nature and confidentiality of the information. Proprietary Information shall not include any information that the receiving party can demonstrate by its records (i) is or becomes generally available to the public without breach of this Agreement, (ii) was in its possession or known by it prior to receipt from the disclosing party, (iii) was rightfully disclosed to it by a third party, or (iv) was independently developed without use of any Proprietary Information of the disclosing party. Proprietary Information shall remain the property of the respective owner.

**Confidentiality.** Except for the specific rights granted by this Agreement, neither party shall use or disclose any Proprietary Information of the other party without its written consent. The receiving party shall use the same degree of care to protect the disclosing party's Proprietary Information as it uses to protect its own Proprietary Information, but no less than reasonable care, including: ensuring that its employees and contractors who access the Proprietary Information (a) have a need to know it for the purposes permitted hereunder and (b) are apprised of the confidential and proprietary nature of the Proprietary Information and all restrictions in this Agreement. Each party shall bear the responsibility for any breach of confidentiality by its employees and contractors. Promptly after request by the disclosing party, the receiving party shall return to the other or, if so directed by the other party in writing, destroy all originals and copies of any of the disclosing party's Proprietary Information (including without limitation, all licensed materials) and all information, records and materials developed therefrom. Each party may only disclose the general nature, but not the specific terms, of this Agreement without the prior consent of the other party; provided, however, that either party may provide a copy of this Agreement (or otherwise disclose its details) to any actual or prospective acquirer, investor or lender (who is required to treat this as confidential) in connection with any financing transaction or due diligence inquiry.

**Required Disclosure.** Nothing herein shall prevent a receiving party from disclosing all or part of the other's Proprietary Information as necessary pursuant to any court order, lawful requirement of a governmental agency or when disclosure is required by operation of law (including disclosures pursuant to any applicable securities laws or regulations); provided, that prior to any such disclosure, the receiving party shall use reasonable efforts to (a) promptly notify the disclosing party in writing of such requirement to disclose, and (b) cooperate fully with the disclosing party in protecting against or minimizing any such disclosure or obtaining a protective order.

### 4. PROPRIETARY RIGHTS.

**No Implied Licenses.** Except for the limited rights and licenses expressly granted hereunder, no other license is granted and no other use is permitted. Paytronix (and its licensors) retain all right, title and interest in and to its marks and logos, and the Paytronix Services and Software. Franchisee retains all right, title and interest in and to its marks and logos.

**Restrictions.** Except as specifically permitted in this Agreement, Franchisee shall not (a) use any of Paytronix's Proprietary Information to create any software or other materials (whether or not competitive with or similar to the Software), (b) reverse engineer or otherwise try to discover any source code or underlying ideas or algorithms of the Software, (c) sublicense, transfer or distribute the Software, (d) copy (except for reasonable backup or archive purposes) or modify any Software, (e) alter or remove any proprietary or legal notice contained on or in the Software, or (f) use the Software, or allow the transfer, transmission, export or re-export of all or any part of the Software, in violation of any export control laws or regulations of the United States or any other relevant jurisdiction.

**General Learning and Feedback.** Franchisee acknowledges and agrees that Paytronix retains the right to reuse, without any obligation to account, (i) the Software and all content at any webpage developed or hosted by Paytronix and which is made accessible to Franchisee or its customers hereunder; (ii) its generalized knowledge, experience, and know-how (including processes, ideas, concepts, templates and techniques) that are related to the Software and Services or acquired during development thereof; and (iii) any comments, feedback, ideas, questions, designs,

data or the like, regarding or relating to Paytronix Software or business submitted by Client to Paytronix, provided, in no event will Paytronix reuse any of Franchisee's Proprietary Information, marks or logos.

5. **TERM.** Unless either party provides a written notice to the contrary, this Agreement will remain in effect as long as the master agreement remains in effect between Paytronix and the Franchisor.

#### 6. PAYMENTS.

**Fees.** Franchisee agrees to pay Paytronix the one-time and recurring fees, in the amounts, at the times and subject to the conditions of the Master Service Agreement between the Paytronix and the Franchisor.

ALL FEES WILL BE PAID TO PAYTRONIX BY AN AUTOMATED CLEARING HOUSE (ACH) TRANSACTION INITIATED BY PAYTRONIX. A BILLING SUMMARY REPORT WILL BE AVAILABLE ON THE 1<sup>ST</sup> OF EACH MONTH VIA THE INTERNET AT [WWW.PXSWEB.COM](http://WWW.PXSWEB.COM). THE ACH WILL BE POSTED BY THE 10<sup>TH</sup> OF EACH MONTH.

**Taxes.** All payments required by this Agreement are exclusive of federal, state, local and foreign taxes, duties, tariffs, levies, withholdings and similar assessments (e.g., sales taxes, use taxes and value added taxes), and Franchisee agrees to be responsible for payment thereof, exclusive of any tax based on Paytronix's income.

#### 7. WARRANTY, AND DISCLAIMERS.

**Limited Warranty.** Paytronix represents and warrants to Franchisee (but not to any customer or other third party) that the Software shall perform substantially in accordance with Paytronix's written specifications for such Software for 90 days after installation and that the Services will be provided in a professional and workmanlike manner, consistent with prevailing industry standards and practices. Hosted Services, however, may be temporarily unavailable for scheduled maintenance, upgrades or unscheduled emergency repairs and other causes beyond Paytronix's reasonable control.

**Disclaimers.** EXCEPT AS SPECIFICALLY PROVIDED ABOVE, THE SOFTWARE AND SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND. PAYTRONIX DOES NOT WARRANT THAT: THE SOFTWARE OR SERVICES WILL MEET FRANCHISEE'S REQUIREMENTS; OPERATION OF THE SOFTWARE OR SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE; OR ERRORS CAN OR WILL BE FIXED. PAYTRONIX DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SOFTWARE AND SERVICES INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

8. **LIMITATION OF LIABILITY.** NEITHER PARTY WILL BE LIABLE CONCERNING THE SUBJECT MATTER OF THIS AGREEMENT, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION (IN CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE), FOR ANY (A) LOSS OF DATA, LOSS OR INTERRUPTION OF USE, OR COST OF PROCURING SUBSTITUTE TECHNOLOGY OR SERVICES, (B) INDIRECT, PUNITIVE, INCIDENTAL, RELIANCE, SPECIAL OR CONSEQUENTIAL DAMAGES, OR (C) DIRECT DAMAGES, IN THE AGGREGATE, IN EXCESS OF (I) IN THE CASE OF PAYTRONIX, THE AMOUNTS PAID TO PAYTRONIX HEREUNDER FOR THE PREVIOUS TWELVE (12) MONTHS, AND (II) IN THE CASE OF FRANCHISEE, THE AMOUNT PAID OR PAYABLE BY FRANCHISEE HEREUNDER FOR THE PREVIOUS TWELVE (12) MONTHS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS ARE INDEPENDENT FROM ALL OTHER PROVISIONS OF THIS AGREEMENT AND APPLY NOTWITHSTANDING THE FAILURE OF ANY REMEDY PROVIDED HEREIN. HOWEVER, NEITHER PARTY'S LIABILITY IS EXCLUDED OR LIMITED TO THE EXTENT UNENFORCEABLE BY APPLICABLE LAW OR FOR ANY BREACH OF CONFIDENTIALITY OR PROPRIETARY RIGHTS.

9. **GOVERNING LAW; JURISDICTION.** This Agreement shall be governed by and construed in accordance with the laws of Massachusetts, without regard to its conflicts of law provisions. All notices hereunder will be in writing and effective upon receipt. Each party submits to the jurisdiction of the federal and state courts located in Massachusetts for adjudication of all claims and disputes that may arise hereunder.

**SITE SELECTION AND ACQUISITION ADDENDUM**

**TO FRANCHISE AGREEMENT DATED \_\_\_\_\_  
BETWEEN BOSTON PIZZA RESTAURANTS, LP  
AND \_\_\_\_\_ (“FRANCHISEE”)**

**[To be signed only if there is no Development Agreement in place]**

This Site Selection and Acquisition Addendum (“Site Addendum”) is made part of, and incorporated into, the Franchise Agreement by and between Boston Pizza Restaurants, LP (“we,” “us,” “our,” or “Franchisor”) and \_\_\_\_\_ (“you,” “your,” or “Franchisee”) dated \_\_\_\_\_, (“Franchise Agreement”). Initially capitalized terms used but not defined herein have the meanings set forth in the Franchise Agreement.

**RECITALS**

You and we have entered into the Franchise Agreement without having entered into a Development Agreement.

You and we desire to modify the Franchise Agreement to provide for certain site selection and acquisition procedures and obligations with respect to the Restaurant.

NOW, THEREFORE, you and we expressly covenant and agree as follows:

**I. Site Selection**

A. Designated Area. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Restaurant within the geographic area described below (“Designated Area”). You acknowledge and agree that you acquire no rights in and to the Designated Area, other than the right to select a site for the Restaurant from within its boundaries.

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

Following your selection and our acceptance of a site for the Restaurant, the Franchise Location will be identified in Attachment A to the Franchise Agreement and the Designated Area will be of no further force or effect.

B. Site Selection Assistance. To assist you in your selection of a site for your Restaurant, we will provide to you: (i) our written site selection guidelines and such site selection assistance as we deem advisable, and (ii) such on-site evaluation as we may deem necessary; provided, that we will not provide an on-site evaluation for any proposed site before receiving all information and materials required below, and, in our discretion, before receiving such information for multiple proposed sites. We have the right, from time to time, to delegate the performance of any portion or all of our obligations under this Site Addendum to our designees, whether they are our agents or independent contractors with which we have contracted to provide the service.

**II. Site Review and Acceptance Procedure**

A. You assume all responsibility for selecting, obtaining and developing sites for the Restaurants to be developed within the Designated Area at your sole expense. All such sites must conform to our site selection criteria.



(1) Before making any binding commitment for a Restaurant site, you must submit to us, in the form we specify, a complete real estate site package containing the information that we require, including (a) a description of the site, (b) demographic criteria and preliminary site plans showing building orientation, pad size, parking layout and other relevant information that we may require, (c) any other evidence that we may require to demonstrate to us that the site satisfies our site selection criteria, (d) site acquisition or lease terms, including a copy of the proposed contract of sale or lease, as applicable, and (e) such other information as we may reasonably require (“Site Package”). You must also submit to us for approval any lease for the Restaurant site before you sign it. A rider to the lease, in substantially the form of Exhibit 1 to this Agreement, must be incorporated in the lease.

(2) Within a reasonable period of time after receiving your Site Package, we will, in our sole discretion, notify you in writing whether we approve the proposed site as the location for the Restaurant. No site may be used for a Restaurant unless we have first approved it in writing, and you must not make any binding commitment for a site until you have received our written site approval notice.

(3) You acknowledge that our acceptance of a proposed site and any site selection assistance we may give you does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Restaurant operated at that site will be profitable or otherwise successful. Our approval of a site indicates only that we believe that the site falls within the acceptable criteria for Boston’s Restaurant sites that we have established as of the time of our approval. Application of criteria that have appeared effective with respect to other sites may not accurately reflect the potential for all sites, and, after we approve site demographic and/or other factors included in or excluded from our criteria could change, thereby altering the potential of a site. The uncertainty and instability of such criteria are beyond our control, and we are not responsible for the failure of a site we have approved to meet your expectations. You agree that you are responsible for your own independent investigation of the suitability of each site.

### **III. Site Acquisition**

A. Site Acquisition. Promptly following your receipt of our written site acceptance notice and not later than one hundred twenty (120) days following the Effective Date of the Franchise Agreement, you must execute a lease or purchase the approved site, at your expense. You must furnish to us a copy of the executed lease or contract of sale within ten (10) days after execution. Such one hundred twenty (120) day site acquisition period is included within the two hundred ten (210) day opening period set forth in Section III.D. of the Franchise Agreement.

B. Contractual Designation of Site. After you have acquired a Restaurant site that we have approved, the address of the site will be entered on Attachment A to the Franchise Agreement as the Location of the Restaurant.

**IV. Conflict with Franchise Agreement**. Whenever there is a conflict or inconsistency between this Site Addendum and any provision of the Franchise Agreement, the provisions of this Site Addendum shall control.

IN WITNESS WHEREOF, each of the parties hereto has caused their duly authorized representative to execute and deliver this Agreement as of the date below.

(Signature page is the next page.)

**FRANCHISOR:**  
BOSTON PIZZA RESTAURANT, LP  
a Delaware limited partnership

By its general partner  
BPR GP, INC.  
a Delaware corporation

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

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

**FRANCHISEE:**

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

## Exhibit 1

### LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of Boston Pizza Restaurants, LP, a Delaware limited partnership (“Franchisor,” “we,” “us,” or “our”), and that the Restaurant located at the Premises (“Unit”) is operated under the Boston Pizza Restaurant franchise system (“System”), pursuant to a franchise agreement (“Franchise Agreement”) between Tenant and Franchisor. Landlord consents to Tenant’s use at the Premises of such marks and signs, decor items, color schemes and related components of a Boston’s Restaurant as we may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to us copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give us written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give us further written notice of such failure (“Franchisor Notice”). Following our receipt of the Franchisor Notice, we shall have the right (but not the obligation) to cure Tenant’s default before Landlord shall exercise any of Landlord’s remedies arising as a consequence of Tenant’s default. Any such cure shall be effected within fifteen (15) days following our receipt of the Franchisor Notice. Any cure by us shall not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If we cure Tenant’s default or notify Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord’s receipt of our notice thereof), Landlord agrees, upon our written request, to assign to us any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with us in order to pursue such action to a conclusion.

(d) If we cure Tenant’s default or notify Landlord of the termination of the Franchise Agreement, we shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1<sup>st</sup>) date of any cure by us; or

2. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and we shall enter into an agreement to document such assumption. We are not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, us as herein provided.

(e) If, during the six (6) month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), we shall notify Landlord that the franchise for the Unit is being granted to another Boston Pizza Restaurants franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord’s reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, we shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of us, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without our prior written consent.



(g) We shall have the right to enter the Premises to make any modification or alteration necessary to protect the Boston Pizza Restaurants system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by us. Tenant hereby releases, acquits and discharges us and Landlord, and our and Landlord's respective subsidiaries, Affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of our rights pursuant to the Addendum.

(h) Landlord agrees that it will not make any public announcements in any form of media regarding the fact that the Premises have been, will be, or may be leased for the establishment of a Boston's The Gourmet Pizza Restaurant & Sports Bar®, unless Landlord has our written consent.

(i) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, our mailing address shall be 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, Attention: President, which address may be changed by written notice to Landlord in the manner provided in the Lease.

## STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**CALIFORNIA LAW MODIFICATIONS**

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or nonrenewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law will control.
- b. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- c. If Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- d. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
- e. If the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.
- f. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
- g. If the Agreement requires that it be governed by a state’s law, other than the State of California, such requirement may be unenforceable.
- h. Section IV. of this Agreement is revised to state that Franchisor shall deposit all initial fees and payments due to it before Franchisee’s Restaurant opens into an escrow account with a bank that is located in the State of California. Franchisor shall ask Franchisee to sign a statement, for inclusion with a statement to the Department of Financial Protection and Innovation, that Franchisor has performed

its initial obligations under the applicable Franchise Agreement in order to release the funds from escrow.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**ILLINOIS LAW MODIFICATIONS**

The Office of the Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Comp. Stat. ch. 815 para. 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. If the Agreement requires that it be governed by a state’s law, other than the state of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial decisions interpreting the Act), Illinois law will govern.
2. Any provision in the Agreement that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue outside the State of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside of Illinois.
3. 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.
4. Sections 19 and 20 of the Illinois Franchise Disclosure Act provide your rights upon termination and non-renewal of the Agreement.
5. All initial fees due to Franchisor before Franchisee opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Franchisee and Franchisee opens its first Restaurant for business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
6. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
a Delaware limited partnership

**By its general partner**  
**BPR GP, INC.**  
a Delaware corporation

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF MARYLAND**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**MARYLAND LAW MODIFICATIONS**

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. Code ANN. § 14-201 et seq.(2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Franchisee is required in this Agreement to execute a release of claims as a condition to transfer and renew the franchise. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such release shall be void with respect to claims under the Law.
- b. This Agreement requires you to assent to a release of claims, estoppel or waiver of liability, to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or a rule or order under the Act in order to purchase the franchise. Such release, estoppel or waiver shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments shall be void with respect to claims under the Law.
- c. The Maryland Franchise Registration and Disclosure Law provides that Franchisee must bring any claims under the Law within 3 years from the grant of the franchise, which period shall apply for claims under such Law.
- d. If this Agreement requires litigation to be conducted in a forum other than the State of Maryland, the requirement shall not be interpreted to limit any rights you may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- e. Section IV. of this Agreement is revised to state that Franchisor shall deposit all initial fees and payments due to it before Franchisee’s Restaurant opens into an escrow account with a bank that is located in the State of Maryland until Franchisor completes its initial obligations to Franchisee and Franchisee’s Restaurant opens for business. Franchisor currently maintains an escrow account with Wells Fargo Bank, N.A.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

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

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

**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**MINNESOTA LAW MODIFICATIONS**

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims that Franchisees’ use of the Intellectual Properties infringes trademark rights of the third party. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that a franchisee be given written notice of a franchisor’s intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases that a franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- d. If the Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- e. If the Agreement requires that it be governed by a state’ law, other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.
- f. To the extent Minnesota Rule 2860.4400J. prohibits a franchisor from requiring You to consent to Franchisor obtaining injunctive relief, the Agreement is hereby revised to reflect that Franchisor may seek injunctive relief and that whether any bond shall be necessary shall be determined by the court.

- g. Section 80C.17 of the Act provides that no action may be commenced pursuant to that section more than three years after the cause of action accrues. No provision in the Agreement shall be construed to limit the time period for You to bring a claim under the Act.
- h. Minn. Rule 2860.4400J. prohibits Franchisor from requiring Franchisee to consent to liquidated damages and/or termination penalties and prohibits waiver of a jury trial. If the Agreement contains a provision that is inconsistent with the Minn. Rule, the provisions of the Agreement shall be superseded by the Minn. Rule's requirements and shall have no force or effect.
- i. Section IV. of this Agreement is amended to state that all initial fees and payments due to Franchisor before Franchisee opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Franchisee and Franchisee opens its first Restaurant for business.

2. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
a Delaware limited partnership

By its general partner  
**BPR GP, INC.**  
a Delaware corporation

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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

**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF NEW YORK**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**NEW YORK LAW MODIFICATIONS**

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Agreement requires that it be governed by a state’s law, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Licensee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
a Delaware limited partnership

By its general partner  
**BPR GP, INC.**  
a Delaware corporation

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**NORTH DAKOTA LAW MODIFICATIONS**

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law shall control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location shall be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.
- g. Section IV. of this Agreement is amended to state that the initial franchise fee due to us before you open your Restaurant shall be deferred until we satisfy all of our pre-opening obligations to you and you open for business.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.



3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
a Delaware limited partnership

By its general partner  
**BPR GP, INC.**  
a Delaware corporation

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF RHODE ISLAND**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**RHODE ISLAND LAW MODIFICATIONS**

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF SOUTH DAKOTA**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**SOUTH DAKOTA LAW MODIFICATIONS**

1. The South Dakota Department of Labor and Regulation, Division of Securities requires that certain provisions contained in franchise documents be amended to be consistent with South Dakota law, including the South Dakota Codified Law Sec. 37-5B-1 – 37-5B-53. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Section IV. of this Agreement is amended to state that the initial franchise fee due to us before you open your Restaurant shall be deferred until we satisfy all of our pre-opening obligations to you and you open for business.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the South Dakota law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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

**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
FRANCHISE AGREEMENT  
FOR THE STATE OF WASHINGTON**

The Boston Pizza Restaurants, LP Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**WASHINGTON LAW MODIFICATIONS**

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1991). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Washington Franchise Investment Protection Act provides rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
- b. If Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.
- c. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington law. Arbitration involving a franchise purchased in the State of Washington, must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
- d. If the Agreement requires that it be governed by a state’s law, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act shall control.
- e. Section IV. of this Agreement is amended to state that the initial franchise fee due to us before you open your Restaurant shall be deferred until we satisfy all of our pre-opening obligations to you and you open for business.

2. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.



3. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

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

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



**EXHIBIT B**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**DEVELOPMENT AGREEMENT**

**EXHIBIT B**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**DEVELOPMENT AGREEMENT**



**EXHIBIT B**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**DEVELOPMENT AGREEMENT**



**BOSTON PIZZA RESTAURANTS, LP**  
**DEVELOPMENT AGREEMENT**



**BOSTON PIZZA RESTAURANTS, LP  
DEVELOPMENT AGREEMENT**

**TABLE OF CONTENTS**

	<u>Page</u>
I. DEFINITIONS.....	1
II. GRANT OF DEVELOPMENT RIGHTS.....	4
III. FEES .....	5
IV. EXERCISE OF DEVELOPMENT RIGHTS .....	6
V. TERM .....	8
VI. OUR OBLIGATIONS .....	8
VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS .....	9
VIII. YOUR OBLIGATIONS .....	12
IX. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS.....	14
X. TRANSFER .....	17
XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS .....	18
XII. INDEPENDENT CONTRACTOR.....	20
XIII. INDEMNIFICATION.....	21
XIV. MISCELLANEOUS .....	21

**ATTACHMENTS**

- Attachment A Description of Development Territory
- Attachment B Development Schedule
- Attachment C Franchise Agreement
- Attachment D Ownership Schedule
- Attachment E Owners' Guaranty and Assumption Agreement
- Attachment F Principal's Undertaking
- Attachment G Confidentiality and Noncompetition Agreement
- Attachment H Lease Addendum Terms

**BOSTON PIZZA RESTAURANTS, LP  
DEVELOPMENT AGREEMENT**

**THIS AGREEMENT** is made and entered into on \_\_\_\_\_ (the “Effective Date”) between **Boston Pizza Restaurants, LP**, a limited partnership formed under the laws of the State of Delaware, with its business address at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254 (“Franchisor,” “we,” “us,” or “our”) and [**Insert Name of Restaurant Developer**], a [**Insert Type of Entity and Jurisdiction in Which Developer is Organized**] with its address at [**Insert Address of Restaurant Developer**] (“Developer,” “you,” or “your”).

**RECITALS:**

We have the exclusive right in the United States to use and license the use of a business system (the “System,” as defined below) for the establishment and operation of facilities that combine, in one location, a sports bar and a restaurant specializing in the sale of gourmet pizza and pasta dishes and a variety of appetizers, fresh salads, side items, and desserts in a full service, casual dining environment (each, a “Boston’s Restaurant” or “Restaurant”).

Boston’s Restaurants operate under the System and are identified by the trade name and service mark “Boston’s The Gourmet Pizza Restaurant & Sports Bar®” and other trade names, service marks, trademarks, logos, and indicia of origin that we authorize in writing (the “Marks,” as defined below).

We grant qualified franchisees the right to use the Marks and the System to establish and operate Boston’s Restaurants under Franchise Agreements with us.

You wish to obtain certain development rights to establish Boston’s Restaurants in the Development Territory (defined below) under Franchise Agreements with us, and we are willing to grant you those development rights under the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

**I. DEFINITIONS**

“Affiliate” or “Affiliates” of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

“Anti-Terrorism Laws” means the lists of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>), Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

“Applicable Law” means and includes all applicable common law and federal, state and local statutes, laws, rules, regulations, ordinances and orders, including, without limitation, those governing the development, construction and/or operation of the Restaurants, as in effect on the Effective Date of this Agreement, and as may be enacted, modified or amended from time to time thereafter.



“Boston’s Website” means the website we own and control that provides information about the System and Boston’s Restaurants.

“Business Day” means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

“Competitor” or “Competitive Business” means any business that is the same as or substantially similar to a Boston’s Restaurant, including any sports bar and grill, or comparable casual dining facility with multiple televisions, which offers, alone or with other food options, pizza and/or pasta dishes.

“Confidential Information” means all proprietary and confidential information relating to the establishment and operation of a Boston’s Restaurant, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications; (ii) site selection criteria; (iii) recipes; (iv) advertising and marketing plans and programs; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals; (vii) knowledge of the operating and financial results of Boston’s Restaurants other than your Restaurant; (viii) computer programs and systems, including electronic data files and passwords, and (ix) Improvements.

“Control” or “Controlling Interest” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Development Fee” has the meaning given to it in Section III.A. of this Agreement.

“Development Fee Credit” has the meaning given to it in Section III.A. of this Agreement.

“Development Schedule” means the schedule in Attachment B to this Agreement which designates the number of Boston’s Restaurants to be established and operated by you in the Development Territory upon the expiration of each designated Development Period.

“Development Period” means each discrete period set forth in the Development Schedule within which you must establish and have in operation the designated number of Restaurants.

“Development Territory” means the geographic area described in Attachment A to this Agreement, excluding any Reserved Area.

“Franchise Agreements” means franchise agreements for Boston’s Restaurants executed pursuant to this Agreement, as described in Section IV.A.

“Guarantor” means each of the Principal Owners executing the Owners’ Guaranty and Assumption Agreement attached as Attachment E to this Agreement.

“Improvements” means any new concept, process or improvement in the operation or promotion of a Boston’s Restaurants, regardless of who develops such Improvement.

“Indemnified Parties” has the meaning given to it in Section XIII.

“Initial Training Program” means our initial management training program featuring both classroom and on-the-job training.

“Managers” means those persons with managerial responsibility for Restaurant operations, including the Restaurant General Manager and Kitchen Manager. All Managers must satisfactorily complete our Initial Training Program and must meet our qualifications for Managers of Boston’s Restaurants.

“Manual” or “Manuals” has the meaning given to it in the Franchise Agreement.

“Non-Principal Owners” means any Owner that owns less than a 10% ownership interest in you.

“On-Site Opening Assistance” means the on-site pre-opening and opening assistance that we may provide.

“Operating Principal” means the Principal Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of your Boston’s Restaurant business.

“Owners” mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

“Principal Owners” means any Owner that owns at least a 10% ownership interest in you.

“Reserved Area” means locations in which customers are primarily drawn from an enclosed or limited facility, including, sports facilities and arenas, entertainment facilities, amusement parks, auditoriums, airports, hotels, office buildings, public transportation facilities, military bases and government facilities, college campuses, shopping malls (including food courts), grocery stores and supermarkets, hospitals, and other similar facilities and locations.

“Quick Express Unit” means a Boston’s Restaurant operating under the System and the Marks which offers a limited menu and/or limited service, rather than full service.

“Site Package” has the meaning given to it in Section VIII.B.(1).

“Special Event” means carnivals, fairs, school events, charity functions, community festivals, conventions, business gatherings, private parties and similar events and gatherings that last for no more than 30 consecutive days.

“Subsidiary” means an entity in which Developer owns 100% of the ownership interest and over which Developer exercises Control.

“System” means the comprehensive methods and procedures for the establishment, management and operation of a Boston’s Restaurant, including the Confidential Information, the Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, fixtures and furnishings; special recipes and menu items; uniform standards, specifications, policies and procedures for Restaurant operations, inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time.



“Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by our net income.

“Transfer” means a change in the Control of you; without limitation, each of the following events shall be deemed to be a change in Control: (i) the transfer of 50% or more in the aggregate, whether in one or more transactions, of the ownership interests or voting power in you, by operation of Applicable Law or otherwise; and (ii) the issuance of any securities by you which itself or in combination with any other transaction(s) results in your Owners existing as of the Effective Date owning 50% or less of the ownership interests or voting power in you; (iii) the death or legal incapacity of any Owner owning 50% or more of the ownership interests or voting power in you; (iv) any merger, stock redemption, consolidation, reorganization or recapitalization involving you, or the amendment of your articles, bylaws or operating agreement so as to transfer Control of you; and (v) any other event(s) or transaction(s) which has the effect of changing management Control of you.

## II. GRANT OF DEVELOPMENT RIGHTS

A. Grant of Development Rights. We hereby grant to you, and you accept, the right and obligation to develop the number of Boston’s Restaurants set forth in Attachment B within the Development Territory, in accordance with the terms and conditions of this Agreement. You may exercise the development rights granted to you in this Agreement only in compliance with this Agreement, including, without limitation, by satisfying the conditions set forth in Section IV. of this Agreement and the Development Schedule. You shall not subfranchise, sublicense, subcontract, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting you any right to do so.

B. Scope of Development Rights. This Agreement is not a franchise agreement and does not grant you a right or license to establish or operate any Boston’s Restaurant or any right to use or interest in the Marks. This Agreement sets forth the terms and conditions which, if fully satisfied by you, will entitle you to obtain Franchise Agreements for the establishment and operation of Boston’s Restaurants within the Development Territory. The rights and duties set forth in this Agreement are personal to you, and we have granted these rights to you in reliance on your representations and warranties and those of your Owners, including your representation that you have entered this Agreement for the purpose and with the intention to fully comply with your development obligations under this Agreement.

C. Territorial Protection. Except as provided in Section II.D. and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will establish, or authorize any person or entity other than you to establish, a Boston’s Restaurant in the Development Territory during the term of this Agreement.

D. Our Retained Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Development Territory except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others and regardless of proximity or competitive impact:

(1) To operate, and license others to operate, Boston’s Restaurants and Quick Express Units at any location outside the Development Territory and in any Reserved Area;

(2) Subject to your right of first refusal (described below), to operate and license others to operate Quick Express Units within the Development Territory. If we propose to establish a Quick Express Unit within the Development Territory during the term of this Agreement and provided that you and your Affiliates are in compliance with this Agreement and all other agreements with us or our Affiliates, we will notify you in writing and will grant you a right of first refusal to execute a franchise agreement for any such Quick Express Unit upon the terms and conditions that we are then generally offering to similarly situated franchisees. You must exercise your right of first refusal (if at all) within 30 days after you receive our written notice by a written election addressed to us. Notwithstanding the foregoing, we may specify a shorter period for your election if the person or entity which controls the proposed site has requested proposals for a food service facility to be located at such site and the deadline for such request will expire prior to the standard 30 day election period. Your failure to respond within the election period specified in our notice will be deemed to be an election not to exercise your right of first refusal;

(3) Within and outside the Development Territory:

(a) To develop, establish, and offer franchises or licenses for, businesses operating under other systems (including systems that distribute products or services similar to those offered at Boston's Restaurants) using names or marks other than the Marks;

(b) To advertise and promote Boston's Restaurants and the System;

(c) Except for the restriction under Section II.D. against the establishment of Boston's Restaurants in the Development Territory during the term of this Agreement, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, or other services and products, under the Marks or under other names or marks, regardless of competitive impact (i) through any method or channel of distribution, other than a Boston's Restaurant, including, but not limited to, through grocery stores, supermarkets, convenience stores, hotel shops and kiosks, theatres, malls, gas stations, mail order catalogs, and the Internet, and (ii) at Special Events.

E. Waiver. You hereby waive any right you have, may have, or might in the future have, to oppose our exercise of our reserved rights in Section II.D. and any claim for compensation from us as a result of our exercise of such rights.

### III. FEES

A. Development Fee. Upon the execution of this Agreement, Developer shall pay to Franchisor \$50,000 multiplied by the number of Restaurants to be developed under this Agreement. The Development Fee collected pursuant to this Section III.A. shall be deemed fully earned immediately upon receipt and shall be non-refundable. Notwithstanding the foregoing, as and when each Franchise Agreement is signed in accordance with this Agreement, we will credit the per Restaurant amounts you have paid hereunder against the initial franchise fee for each such Restaurant ("Development Fee Credit"). The Development Fee Credit for each Restaurant developed hereunder shall be \$50,000, and no initial franchise fee balance will be due upon the execution of the Franchise Agreement for each such Restaurant.

B. Initial Franchise Fee. Upon the execution of each Franchise Agreement signed by

you or a Subsidiary pursuant to this Agreement, you must pay to us an initial franchise fee of \$50,000, less the applicable Development Fee Credit as described in Section III.A. The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by us.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the due date will be deemed overdue. All unpaid obligations under this Agreement will bear interest from the date due until paid at the lesser of 18% per annum or the maximum rate allowed by Applicable Law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Our acceptance of any payments due subsequent to the due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We will have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you or on your behalf without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due us against any obligation that we may owe to you.

(5) Each payment to be made to us under this Agreement shall be made free and clear and without deduction for any Taxes.

#### IV. EXERCISE OF DEVELOPMENT RIGHTS

A. Exercise of Development Rights. You agree to exercise the development rights granted under this Agreement only by entering into (or, with our written consent, causing a Subsidiary to enter into) a separate Franchise Agreement with us for each Restaurant to be developed under this Agreement. The execution of a Franchise Agreement by any Subsidiary in compliance with Section X.C. of this Agreement shall not be deemed to be a Transfer or a violation of the restriction in Section II.A. of this Agreement against subfranchising, or sublicensing. The Franchise Agreement for the first Restaurant to be developed under this Agreement will be in the form of the Franchise Agreement attached as Attachment C to this Agreement. All subsequent Restaurants developed under this Agreement will be established and operated under the form of Franchise Agreement we are then offering to new franchisees under the System, except that the initial franchise fee will be determined as provided in Section III.B. above, and the royalty and advertising expenditure percentages will be the same as those set forth in the Franchise Agreement attached as Attachment C to this Agreement. The form of the Franchise Agreement attached as Attachment C and

any future franchise agreement forms referred to in this Section IV.A. are included in the term “Franchise Agreement” used in this Agreement.

B. Satisfaction of Conditions. Before exercising any development right, you must apply to us for a franchise to operate a Restaurant within the Development Territory. If we determine, in our sole discretion, that you have met each of the following operational, financial, and legal conditions, then we will grant you a franchise for a Restaurant in the Development Territory:

(1) Operational Conditions. You are in compliance with the Development Schedule and this Agreement and you and your Affiliates are in compliance with any other agreement between you or them and us or our Affiliates. You (and any applicable Subsidiary) are conducting the operation of your existing Restaurants (if any), and are capable of conducting the operation of the proposed Restaurant, in compliance with this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth in the Manuals.

(2) Financial Conditions. You and your Owners satisfy our then-current financial criteria for franchisees and owners of a Boston’s Restaurant. You and your Affiliates are not in default, and have not been in default during the 12 months preceding your request for financial approval, of any monetary obligations owed to us or our Affiliates under any Franchise Agreement or other agreement between you or your Affiliates and us or our Affiliates. You acknowledge and agree that it is vital to our interest that each of our franchisees be financially sound to avoid failure of a Restaurant and that such failure would adversely affect our reputation and the reputation of the System.

(3) Legal Conditions. You have submitted to us, in a timely manner, all information and documents we have requested as a basis for the issuance of individual franchises or pursuant to any right granted to us by this Agreement or by any Franchise Agreement.

C. Development Schedule. You agree to exercise your development rights in compliance with Sections IV.A. and B. and the Development Schedule. You may, subject to the terms and conditions of this Agreement and with our prior written consent, which may be withheld in our sole discretion, develop more than the total minimum number of Restaurants which you are required to develop during any Development Period. Any Restaurants in excess of the minimum number of Restaurants required to be developed during the Development Period will be applied to satisfy your development obligation during the next succeeding Development Period, if any. Notwithstanding the above, you shall not open or operate more than the cumulative total number of Restaurants you are obligated to develop under the Development Schedule.

(1) If you cease to operate any Restaurant developed under this Agreement for any reason during the term of this Agreement, you must develop a replacement Restaurant within a reasonable time after you cease to operate the original Restaurant (not to exceed 210 days from the date you ceased to operate the Restaurant). If you transfer your interest in a Restaurant in accordance with the terms of the applicable Franchise Agreement during the term of this Agreement, the transferred Restaurant will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a Boston’s Restaurant. If the transferred Restaurant ceases to be operated as a Boston’s Restaurant during the term of this Agreement, you must develop a replacement Restaurant within a reasonable time thereafter (not to exceed 210 days from the date the Restaurant ceased to be a Boston’s Restaurant). You must pay the full initial franchise fee for any replacement Restaurant required to be developed pursuant to this Section IV.C.

(2) Your failure to adhere to the Development Schedule or to any time period for the development of replacement Restaurants will constitute a material breach of this Agreement.

## V. TERM

This term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date you have completed your development obligations under this Agreement, or (ii) 12:00 midnight on the last day specified in the Development Schedule.

## VI. OUR OBLIGATIONS

We agree to provide the following services to you. We have the right, from time to time, to delegate the performance of any portion or all of our obligations under this Agreement to our designees, whether they are our agents or independent contractors with which we have contracted to provide the service.

A. Site Selection Guidelines and Assistance. Assistance in your selection of sites for the Restaurants, by providing to you: (i) our written site selection guidelines and such site selection assistance as we deem advisable, and (ii) such on-site evaluation as we may deem necessary; provided, that we will not provide an on-site evaluation for any proposed site before receiving all information and materials required pursuant to Section VIII.B.(1), and, in our discretion, before receiving such information for multiple proposed sites.

B. Training and On-Site Assistance.

(1) Our Initial Training Program for your Operating Principal and, for the first two Restaurants developed pursuant to this Agreement, for your General Manager and up to five additional Managers, including your Kitchen Manager.

(2) For the first two Restaurants developed pursuant to this Agreement, we will provide you with the number of employees (at least two) that we determine to be sufficient for such period of time (currently, at least three weeks) as we deem appropriate to conduct on-site training before and during the opening of your Restaurant. If you request or if we require additional On-Site Opening Assistance beyond the three-week period, then we may, in our sole discretion, charge you our then-current fee for such additional training, plus our per diem per employee, plus travel-related expenses we incur.

(3) We provide the training programs described in Sections VI.B.(1) at no additional charge, except we may charge you for course materials in our discretion. If we provide successor training for replacement Managers for the first two Restaurants developed pursuant to this Agreement, you must pay us our then-current fee for such additional training, plus our per diem per employee, plus travel-related expenses we incur if successor training occurs at one of your Restaurants. We do not charge any fee if the successor training described above occurs at a Restaurant in the Dallas, Texas area.

(4) We may also provide additional and/or remedial training for all of your Restaurants and/or initial and/or successor training for your third and subsequent Restaurants, in our discretion, and we may offer additional mandatory or optional training programs. We may, in our sole discretion, charge you our then-current fee for all such training, plus our per diem per employee, plus our travel-related expenses we incur, if any.

C. Manual. Access (which may be electronic) to one set of Manuals for each Restaurant developed under this Agreement.

## VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

You make the following representations, warranties and covenants to us:

A. Your Organization. If you are a legal entity:

(1) You are duly organized and validly existing under the law of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development of Boston's Restaurants. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any Competitive Business;

(4) The execution and performance of this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request provide to us, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other agreements restricting the sale or transfer of ownership interests in you and any other documents that we may reasonably request.

B. Your Owners.

(1) If you are a legal entity, the ownership interests in you are accurately and completely described in Attachment D. You agree to maintain at all times a current list of your Owners and to make that list available to us upon request.

(2) If you are a corporation, you agree to maintain stop-transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions upon assignments imposed by this Agreement.

(3) You agree to cause each of your Principal Owners to execute the Owners' Guaranty and Assumption Agreement attached as Attachment E to this Agreement, and each of your Non-Principal Owners to execute the Principal's Undertaking attached as Attachment F to this Agreement.

C. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. Such financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and have been certified as true and correct by your Principal Owner. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you agree to provide us with any and all loan or other documents relating to the financing of your operations under this Agreement.

(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.

D. Your Management.

(1) You agree to designate and to retain at all times during the term of this Agreement one of your Principal Owners as your Operating Principal. Your Operating Principal must meet our qualifications and must be approved by us. The Operating Principal for all Boston's Restaurants operated by you or a Subsidiary (including, without limitation, all Restaurants operating under Franchise Agreements executed pursuant to this Agreement) must be the same person. Your Operating Principal must devote full time and best efforts to the supervision of the Boston's Restaurant business operated by you or a Subsidiary, and, without our written consent, shall not engage in any other business. Your Operating Principal must be empowered with full authority to act for you, and you authorize us to communicate directly with and rely on all such communications with your Operating Principal.

(2) The name of your Operating Principal will be listed in Attachment D to this Agreement and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Operating Principal cannot continue or no longer qualifies to serve in that capacity. You must take corrective action within 30 days after any such notice. During such 30-day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VII.D. will be a material breach of this Agreement.

E. Legal Compliance. You agree to comply with all Applicable Laws. You acknowledge that Applicable Laws vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such Applicable Laws and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed as a Specially Designated National or Blocked Person in any of the lists prepared by the U.S. government (as those lists may change from time to time) against whom U.S.

parties are prohibited from doing business, including, without limitation, (i) the Specially Designated Nationals List (<http://www.treas.gov/offices/enforcement/ofac/sdn/sdnlist.txt>); (ii) Executive Order 13324 (<http://www.treasury.gov/offices/enforcement/ofac/programs/terror/terror.pdf>); (iii) Executive Order 13382 (<http://www.state.gov/t/isn/c22080.htm>); and (iv) Executive Order 12938 (<http://www.state.gov/t/isn/c15233.htm>). In addition, (x) neither your property or interests nor that of any Owner or your or their respective owners and Affiliates are subject to being “blocked” under any of the Anti-Terrorism Laws, and (y) you have no knowledge or information that you, any Owner or your or their respective management personnel, or anyone associated with any of them has engaged, are engaged or intends to engage in terrorist activities.

F. Your Investigation of this Franchise.

(1) You acknowledge having received a complete copy of our franchise disclosure document (“FDD”) at least 14 days before you signed this Agreement or any other binding agreement with us and before you paid any consideration to us or our Affiliates. You have read this Agreement and our FDD and you understand them. You have had an opportunity to discuss the FDD and this Agreement with your legal counsel.

(2) You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that an investment in this business involves substantial business risks. You acknowledge that your success is largely dependent on your own abilities and efforts and that the nature of the business may change over time. You have not received or relied on any guaranty or assurance, express or implied, as to the income, revenues, profits or success of the business contemplated by this Agreement.

(3) You understand that we may change the System in any manner that is not expressly prohibited by this Agreement and that you must comply with any such changes.

(4) You acknowledge that you are relying solely on us, and not on any of our Affiliates with regard to our financial and other obligations under this Agreement, and no employee or other person speaking on our behalf or representing us has made any statement or promise to you that any of our Affiliates guarantee our performance or financially back us.

G. Information About You.

(1) You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business to disclose to us any financial information in their possession which we may request relating to you or the Restaurants developed pursuant to this Agreement. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

(2) You agree to provide to us, not later than five days after filing, copies of the federal income tax returns (including any extension requests) and within five days after the end of each calendar quarter, copies of the state sales tax returns for the business operated under this Agreement. If any Restaurant is in a state which does not impose a sales tax, you agree to submit a copy of your state income tax return (including any extension requests) not later than five days after filing.



H. Continuing Obligations. You make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate and to cause your Owners to cooperate with us to verify your continuing compliance with such representations, warranties and covenants. Any breach of these representations, warranties and covenants will constitute a material event of default under this Agreement.

## VIII. YOUR OBLIGATIONS

### A. Training.

(1) Before the opening of each Restaurant pursuant to this Agreement, your Operating Principal and three Managers (including the General Manager and Kitchen Manager) must attend and complete training as described in Section VI.B. or as required by our then-current Franchise Agreement for each applicable Restaurant. All such training must be completed to our satisfaction before you open any of your Restaurants. If your Operating Principal or any Manager fails, in our sole judgment, to satisfactorily complete our Initial Training Program (whether conducted by us or by you or your Affiliates), and you fail to cure such default within 60 days following written notice from us, we may terminate this Agreement. Any successor or replacement personnel also shall successfully complete all applicable training programs within a reasonable time after such persons are designated. Such persons, and any of your other personnel whom we may require, shall attend and complete any additional or refresher training and shall attend all meetings that we may from time to time require. Training will be conducted at locations we designate. You are responsible for all fees described in Section VI.B. and any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, and meals incurred by your Owners, Operating Principal and Managers and any other trainees and any fees we may charge as set forth in each applicable Franchise Agreement.

(2) We will provide the Initial Training Program as set forth in Section VI.B. Subject to our then-current certification procedures, after you have developed your second Boston's Restaurant and before the opening of your third Restaurant pursuant to this Agreement, you must implement an initial training and store opening program that complies with our standards. Under that program, you will be responsible for training the employees (including the Restaurant General Manager and Kitchen Manager) of, and for providing on-site opening assistance to, the third and each subsequent Restaurant developed pursuant to this Agreement. If your Restaurant loses its standing as a certified training Restaurant, then you must pay us our then-current re-certification fee for every we visit we make to your Restaurant as part of the re-certification process.

B. Site Selection. You assume all responsibility for selecting, obtaining and developing sites for the Restaurants to be developed within the Development Territory at your sole expense. All such sites must conform to our site selection criteria.

(1) Before making any binding commitment for a Restaurant site, you must submit to us, in the form we specify, a complete real estate site package containing the information that we require, including (a) a description of the site, (b) demographic criteria and preliminary site plans showing building orientation, pad size, parking layout and other relevant information that we may require, (c) any other evidence that we may require to demonstrate to us that the site satisfies our site selection criteria, (d) site acquisition or lease terms, including a copy of the proposed contract of sale or lease, as applicable, and (e) such other information as we may reasonably require ("Site Package"). You must also submit to us for approval any lease for the Restaurant site before you sign it. Our approval of a lease does not mean the economic terms of the lease are favorable; it

means only that the lease contains the lease terms we require. A rider to the lease, in substantially the form of Attachment H to this Agreement, must be incorporated in the lease.

(2) Within a reasonable period of time after receiving your Site Package, we will, in our sole discretion, notify you in writing whether we accept to the proposed site as the location for the Restaurant. No site may be used for a Restaurant unless we have first accepted it in writing, and you must not make any binding commitment for a site until you have received our written site acceptance notice.

(3) Promptly following your receipt of our written site acceptance notice, you must lease or purchase the site, at your expense. You must furnish to us a copy of the executed lease or contract of sale within ten days after execution. After you have acquired an accepted Restaurant site, the address of the site will be entered on Attachment A to the Franchise Agreement as the Location of the Restaurant.

(4) You acknowledge that our acceptance of a proposed site and any site selection assistance we may give you does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Restaurant operated at that site will be profitable or otherwise successful. Our acceptance of a site indicates only that we believe that the site falls within the acceptable criteria for Boston's Restaurant sites that we have established as of the time of our approval. Application of criteria that have appeared effective with respect to other sites may not accurately reflect the potential for all sites, and, after we accept a site demographic and/or other factors included in or excluded from our criteria could change, thereby altering the potential of a site. The uncertainty and instability of such criteria are beyond our control, and we are not responsible for the failure of a site we have accepted to meet your expectations. You agree that you are responsible for your own independent investigation of the suitability of each site.

C. Internet. You agree to install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You further agree that you will not establish or participate in any website or other listing on the Internet except as provided herein.

(1) We have established the Boston's Website. We have sole discretion and control over the Boston's Website, including design, contents and continuation. We may include at the Boston's Website interior pages containing information about the Restaurants developed pursuant to this Agreement (each a "Developer Page") and may require you to prepare all or a portion of the Developer Page(s) for your Restaurants, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. Any modifications (including customizations, alterations, submissions or updates) you make to the template will be deemed to be a "work made for hire" and we shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire, you hereby assign those modifications to us for no additional consideration and agree to execute such further assignments(s) as we may request. Without limiting our general unrestricted right to permit, deny and regulate your participation on the Boston's Website in our discretion, if you breach this Agreement or any other agreement with us or our Affiliates, we may disable, suspend or terminate your Developer Page(s) and remove all references to your Restaurants until the breach is cured. We may use advertising Fund monies (as described in the Franchise Agreement) to maintain the Boston's Website.

(2) Except as provided in Section VIII.C.(1), you may not establish or operate your own website for the business conducted pursuant to this Agreement, and you may not conduct any e-commerce or social media activity relating to such business (including, without limitation,

Facebook, Twitter, LinkedIn, Foursquare, YouTube, Pinterest, Instagram, other social media sites, mass messaging outlets, location specific websites, online ordering, loyalty programs or messaging clubs) or other electronic communication system, except as permitted by, and in strict compliance with, our social media policy and Manuals. Without limitation of the foregoing, you agree that you have no authority to, and you will not, establish or participate in any website that creates any association with the Marks or the System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the System, without our express prior written consent.

(3) You have no authority to, and you agree that you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or expiration of this Agreement, the license of the domain name to you will automatically terminate and you agree to undertake all such actions that we require to disassociate yourself with the domain name.

(4) We have the sole right (but no obligation) to develop an Intranet through which we and our developers and franchisees can communicate by e-mail or similar electronic means. You agree to participate in any such Intranet in strict compliance with our standards, protocols and restrictions, including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. You will be solely responsible for compliance with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act of 2003). We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you agree to pay in accordance with our invoice.

D. Improvements. If you, your employees, or Owners develop any Improvement, you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section VIII.D. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

## **IX. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS**

A. Termination Without Notice or Cure. You will be deemed to be in material default and all rights granted under this Agreement will automatically terminate without notice to you if you become insolvent or make a general assignment for the benefit of creditors or file a voluntary petition (or have an involuntary petition filed against you) under any section or chapter of federal bankruptcy laws or under any

similar law or statute of the United States or any state or admit in writing your inability to pay our debts when due; you are adjudicated bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state; a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you; a final judgment against you remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; a judicial, non-judicial, or administrative proceeding to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within 30 days; or the real or personal property of any business operated under this Agreement or any Franchise Agreement is sold after levy by any sheriff, marshal or constable.

B. Termination on Notice. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon written notice to you, upon the occurrence of any of the following events of default:

(1) If you fail to comply with the Development Schedule, or otherwise fail to satisfy your obligations set forth in Section IV.;

(2) If you or any of your Owners is convicted of, or enters a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or our interests therein;

(3) If you or any of your Owners breach in any material respect any of the representations, warranties and covenants in Section VII. or if you make any material misstatement or omission in an application for this Agreement or in any other information provided to us;

(4) If you or any of your Owners Transfers or attempts to Transfer any rights or obligations under this Agreement, or any interest in you or the business contemplated hereby contrary to the terms of this Agreement;

(5) If, contrary to the terms of Section XI.A., you disclose or divulge any Confidential Information;

(6) If you or any of your Owners commit three events of default under this Agreement within any 12 consecutive month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice; or

(7) If your assets, property or interests are “blocked” under any Applicable Law relating to terrorist activities or if you are otherwise in violation of any such Applicable Law.

C. Termination After Notice and Opportunity to Cure. Except as provided in Sections IX.A. and IX.B. of this Agreement, upon any default which is capable of being cured, we may, at our option, terminate this Agreement and all rights granted under this Agreement, by giving you written notice stating the nature of the default and the applicable cure period (defined below). You may avoid termination by curing the default to our satisfaction within the time period set forth below or such longer period as applicable law may require (“cure period”). If a default is not cured within the cure period, your rights

under this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period.

(1) If you or any of your Affiliates fail, refuse or neglect promptly to pay when due any monies owed to us or any of our Affiliates when due and fail to cure such default within five days following notice from us.

(2) If you fail to obtain the execution of the confidentiality and related covenants required under Section XI.D. and fail to cure within ten days following written notice from us.

(3) If you make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or with the System or our rights therein and fail to cure such default within 24 hours following notice from us.

(4) If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.B. of this Agreement and fail to cure such default within ten days following notice from us.

(5) If you fail to designate a qualified replacement Operating Principal within 30 days after any initial or successor Operating Principal ceases to serve or if your Operating Principal or any Manager fails to satisfactorily complete our Initial Training Program and you fail to cure such default within 60 days following notice from us.

(6) If you fail to comply with any other term or condition imposed by this Agreement and fail to cure within 30 days following notice from us.

(7) If you or any of your Affiliates commit any other material default under any Franchise Agreement or other agreement between us and our Affiliates and you and your Affiliates do not cure such default within the applicable cure period, if any, provided for in the applicable agreement.

D. Additional Remedies. If you are in default under Section IX.B. or IX.C., we may, in our sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to you in Section II., (ii) reduce the size of the Development Territory, or (iii) reduce the number of Restaurants which you may establish pursuant to the Development Schedule.

(1) If we elect to exercise one or more of the additional remedies set forth above, you must continue to develop Restaurants in accordance with your rights and obligations under this Agreement, as so modified. To the extent such rights are modified pursuant to this Section IX.D., you acknowledge that we will be entitled to establish, and to license others to establish, Boston's Restaurants in some or all of the Development Territory, except as otherwise provided under any Franchise Agreement which is then in effect between us and you.

(2) Our exercise of any of our remedies under this Section IX.D. shall not constitute a waiver by us to exercise our option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect of Default on Franchise Agreements; Remedies Non-Exclusive.

(1) No default under this Agreement will constitute a default under any Franchise Agreement, unless the default is also a default under the terms of the Franchise Agreement.

(2) No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, you will have no right to establish or operate any Restaurant for which a Franchise Agreement has not been executed by us and delivered to you at the time of termination or expiration (but may complete development of and/or operate Restaurants under then-existing Franchise Agreements), and we may develop, or authorize others to develop, Boston's Restaurants in the Development Territory. Upon the expiration or termination of this Agreement:

(1) You and your Owners will comply with the restrictions on confidential information contained in Section XI.A. and the covenants against competition contained in Section XI.B. Any other person required to execute similar covenants pursuant to Section XI. shall also comply with such covenants.

(2) You and your Owners will promptly pay all amounts owing to us and our Affiliates. Such amounts shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in favor of us against any and all of your assets until such obligations are paid in full.

(3) You and your Owners will pay to us all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us in exercising any remedy available to us for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section IX.F.

**X. TRANSFER**

A. By Us. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations herein to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee will be solely responsible for all our obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Owners. We have entered into this Agreement in reliance upon the individual or collective character, reputation, skill, attitude, business ability, and financial capacity of you and your Owners, and this Agreement is personal to you and your Owners. Therefore, except as set forth in Section X.C., neither you nor your Owners may Transfer (i) this Agreement, (ii) your interest in this Agreement, (iii) their ownership interest in you, or (iv) any of your rights and privileges hereunder

(specifically including your development obligations in Section II. of this Agreement), voluntarily or involuntarily, in whole or in part, by operation of law or otherwise in any manner whatsoever.

(1) If you or any Owner proposes any sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of an ownership interest in you, or any other event(s) or transaction(s) which do not effect a change of Control, then you must promptly notify us of such proposed transaction in writing and provide such relevant information relative thereto as we may reasonably request prior to completing the transaction. If we agree that the transaction does not constitute a Transfer, the transaction may be completed but the assignee of the interest must satisfy and then-current standards for owners of a Boston's Restaurant (including business reputation, legal compliance, no association with a Competitive Business) and we may require any such assignee to execute our then current form of Owners' Guaranty and Assumption Agreement or Principal's Undertaking.

(2) In the event the provisions of this Section X.B. are determined by a court of competent jurisdiction to be contrary to Applicable Law, we reserve the right to consent to any proposed Transfer, such consent not to be unreasonably withheld.

C. Assignment of Franchise Rights to Subsidiary. You may assign your rights under this Agreement to open and operate Restaurants under Franchise Agreements only to its Subsidiaries. In connection with any such assignment, you warrant, represent and agree that (i) you will have and maintain at least a 100% ownership interest in and operational control of the Subsidiary; (ii) the Subsidiary will satisfy the requirements of Section VII.E.; (iii) no assignment will relieve or release you from your obligations under this Agreement or any Guarantor from its obligations under the Owners' Guaranty and Assumption Agreement; (iv) you will execute the Owners' Guaranty and Assumption Agreement attached to the Franchise Agreement to guarantee the Subsidiary's performance under such Franchise Agreement and (iv) we will have the right to require that you pay our reasonable costs incurred in connection with any such assignment.

D. Grant of Security Interest. Except to the limited extent permitted by Section 9-408 of the Uniform Commercial Code, you shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, in the business conducted pursuant to this Agreement or in you without our express prior written consent, which consent may be conditioned or withheld in our judgment.

## **XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS**

A. Nondisclosure of Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the management and operation of the business contemplated by this Agreement. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the business contemplated by this Agreement during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the Confidential Information to your Owners and employees only to the extent reasonably necessary for the operation of the business contemplated by this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt

and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to of your personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

B. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of “Owner” under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston’s Restaurant, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Boston’s Restaurants operated under valid Franchise Agreements, own, maintain, operate, engage in, perform services for or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Owner” under this Agreement) and continuing for two years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston Pizza Restaurant, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Boston’s Restaurants operated under Franchise Agreements, own, maintain, operate, engage in, perform services for or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business that is the same as or similar to a Boston’s Restaurant and which is, or is intended to be, located



(i) within the Development Territory, or (ii) within a ten-mile radius of any Boston's Restaurant then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.B. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.B. The time periods relating to the obligations set forth in this Section XI.B.(2) will be tolled for any period of non-compliance.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.B. without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.B.

C. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Section XI. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Section XI., without the requirement that we post a bond. You and your Owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Section XI., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section, or any part of it.

D. Execution of Covenants by Managerial Employees. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.A. and B. from your Managers. These covenants must be substantially in the form set forth in Attachment G; however, we reserve the right, in our sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment G or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

## **XII. INDEPENDENT CONTRACTOR**

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations authorized

by this Agreement pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed employees of us or subject to our control. We have no authority to hire, fire, promote, or demote any of your employees or take any disciplinary action whatsoever against any of them. Additionally, you must communicate to all employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties shall file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

### **XIII. INDEMNIFICATION**

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of the business authorized by this Agreement, your employer/employee relationships, or your breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, “claims” includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you. The terms of this Section XIII. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

### **XIV. MISCELLANEOUS**

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us:

Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Attention: President  
Telephone: 972-484-9022  
Facsimile: 972-484-7630

Notices to you and  
your Owners:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

E. MEDIATION. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR



**(c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.**

**(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN 15 DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION (“AAA”) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO DALLAS, TEXAS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS’ FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.**

**(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER MEDIATION HAS BEEN REQUESTED, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION XIV.F. WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.**

**(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION XIV.E., YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS, THE CONFIDENTIAL INFORMATION, OR ANY AMOUNTS YOU OWE TO US OR OUR AFFILIATES. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.**

**F. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION XIV.E. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS (DALLAS DIVISION) AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND WE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS.**

**G. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES.**

**H. PARTIES' ACKNOWLEDGMENTS. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.**

**I. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO SECTION XIII. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

**J. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS OWED TO US PURSUANT TO THIS AGREEMENT AND CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION XIII., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO YEARS FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.**

**K. JURY WAIVER. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.**

**L. Costs And Attorneys' Fees. You agree to pay or reimburse us for any of the costs and expenses which we incur in enforcing this Agreement, including, without limitation, accounting, attorneys', arbitrators' and related fees.**

**M. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.**

**N. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.**

O. Consents And Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

P. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

Q. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

R. Survival. The dispute resolution provisions set forth above in Sections XIV.E. through L. and any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration or transfer.

S. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

T. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section IX. of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

U. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section X.), any rights or remedies under or as a result of this Agreement.

V. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

W. Our Business Judgment. Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

X. Entire Agreement. This Agreement, the documents referred to herein, and any exhibits, attachments and addenda hereto, constitute the entire, full and complete agreement between you and us and the Owners concerning the subject matter hereof and shall supersede all prior related agreements. You expressly represent and acknowledge that you have received and reviewed the Agreement in its entirety and have had an opportunity to retain an attorney to review the terms and conditions of the Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

(Signatures on next page.)

**IN WITNESS WHEREOF**, each of the parties hereto has caused their duly authorized representative to execute and deliver this Agreement as of the Effective Date.

**FRANCHISOR:**

BOSTON PIZZA RESTAURANT, LP  
a Delaware limited partnership

By its general partner  
BPR GP, INC.  
a Delaware corporation

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

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

**DEVELOPER:**

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



**ATTACHMENT A**

**DESCRIPTION OF THE DEVELOPMENT TERRITORY**

**[Insert description of the Development Territory]**



**ATTACHMENT B**

**DEVELOPMENT SCHEDULE**

<b>Development Period And Location Number</b>	<b>Date By Which Site Acceptance Must Be Obtained</b>	<b>Date By Which Franchise Agreement Must Be Signed</b>	<b>Date By Which Restaurant Must Be Open and Operating</b>	<b>Number Of New Restaurants To Be Open And Operating<sup>(1)</sup></b>	<b>Cumulative Number Of Restaurants To Be Open And Operating<sup>(1)</sup> In The Development Territory</b>
<b>1<sup>st</sup> Development Period Location #</b>					
<b>2<sup>nd</sup> Development Period Location #</b>					
<b>3<sup>rd</sup> Development Period Location #</b>					
<b>4<sup>th</sup> Development Period Location #</b>					
<b>5<sup>th</sup> Development Period Location #</b>					

**Notes**

- (1) Open and operating means open for business to the public.

**ATTACHMENT C**  
**FRANCHISE AGREEMENT**



**ATTACHMENT D**

**OWNERSHIP SCHEDULE**

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:

<b>NAME</b>	<b>OWNERSHIP INTEREST IN YOU</b>	<b>NATURE OF INTEREST</b>

2. Your Operating Principal is: \_\_\_\_\_

## ATTACHMENT E

### OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Owners' Guaranty and Assumption Agreement ("Guaranty") is given on \_\_\_\_\_, by the undersigned in connection with the Development Agreement dated \_\_\_\_\_ between Boston Pizza Restaurants, LP ("Franchisor") and \_\_\_\_\_ ("Developer").

In consideration of, and as an inducement to, the execution of the Development Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (each, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Developer (and, if permitted, its Affiliates) will punctually perform all obligations of Developer and pay all amounts due under the Development Agreement and under all Franchise Agreements entered into pursuant to the Development Agreement (collectively, the "Agreements"), including, without limitation, amounts due for development fees, royalties, marketing and advertising fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and
- (ii) he or she will render any payment or performance required under the Agreements upon demand if Developer (or, if permitted, its Affiliates) fails or refuses punctually to do so; and
- (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person. This Guaranty is a guaranty of payment, not of collection; and
- (iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreements or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the



compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreements and for so long thereafter as there are any monies or obligations owing by Developer (or, if permitted, its Affiliates) to Franchisor under the Agreements; and

- (v) Developer's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of your Owners set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections VII., X., XI., and XIII. and Sections XIV.E. through L. (which include, among other things, the mediation of disputes). THESE INCLUDE A NUMBER OF PROVISIONS THAT MAY AFFECT THE LEGAL RIGHTS OF THE UNDERSIGNED, INCLUDING A WAIVER OF JURY TRIAL, WAIVER OF PUNITIVE OR EXEMPLARY DAMAGES AND LIMITATIONS ON WHEN CLAIMS MAY BE RAISED.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

**IN WITNESS WHEREOF**, each Guarantor has hereunto affixed his signature on the same day and year as the Development Agreement was executed.

### GUARANTORS

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

Insert Home Address

Insert Home Address

Insert Home Phone No.

Insert Email Address:

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

Insert Home Address

Insert Home Address

Insert Home Phone No.

Insert Email Address:



## ATTACHMENT F

### PRINCIPAL'S UNDERTAKING

In consideration of, and as an inducement to, the execution of that certain Development Agreement, and any revisions, modifications and amendments thereto, (collectively, "Agreement") dated \_\_\_\_\_ by and between **Boston Pizza Restaurants, LP**, a Delaware limited partnership ("Franchisor") and **[Insert Name of Developer]** ("Developer"), the undersigned **[Insert Name of Non-Controlling Principal]** ("Principal") agrees as follows:

1. The undersigned Principal acknowledges and agrees as follows:

(a) The undersigned is a "Non-Controlling Principal," as defined in the Agreement, and has read the terms and conditions of the Agreement and acknowledges that the execution of this Principal's Undertaking is in partial consideration for, and a condition to, the granting of the development rights, and that Franchisor would not have granted the development rights without the execution of this Principal's Undertaking; and

(b) Without limiting any of Developer's obligations under the Agreement, Principal (i) makes all of the covenants, representations, warranties and agreements set forth in Sections VII.E. (Legal Compliance), XI. (Confidentiality and Non-Competition), and XIV.E. through L. (Dispute Resolution) of the Agreement and is obligated to perform thereunder; and (ii) represents that each and every representation of Developer made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned's execution of this Principals' Undertaking.

2. The obligations of Principal are independent of the obligations of Developer and a separate action or actions may be brought and prosecuted against the Principal, whether or not actions are brought against Developer or whether Developer is joined in any such action.

3. This Principal's Undertaking shall be governed by and interpreted in accordance with the laws of the State of Texas, without regard to its conflicts of law principles. This Principal's Undertaking is enforceable by and against the respective administrators, executors, successors and assigns of the Principal and the death of any Principal shall not terminate the liability of such Principal or limit the liability of other Principals hereunder.

IN WITNESS WHEREOF, the undersigned has executed this Principal's Undertaking effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

**Insert Name**  
**Insert Home Address**  
**Insert Home Address**  
Telephone  
E-Mail



## ATTACHMENT G

### CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Confidentiality and Noncompetition Agreement (“Agreement”) is made and entered into on \_\_\_\_\_ between \_\_\_\_\_ (“Developer”) and \_\_\_\_\_ (“Covenantor” or “you”) in connection with a Franchise Agreement between Boston Pizza Restaurants, LP (“Franchisor”) and Developer dated \_\_\_\_\_ (“Development Agreement”). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

#### RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Boston’s Restaurants.

The System includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor granted Developer the right to develop Boston’s Restaurants pursuant to the Development Agreement.

You are employed by Developer, and it will be necessary for you to have access to some or all of the Confidential Information.

Franchisor and Developer have agreed on the importance of restricting the use, access, and dissemination of the Confidential Information, and Developer therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### AGREEMENT

##### **Confidentiality Agreement**

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by Developer in connection with the development of Boston’s Restaurant’s under the Development Agreement.
2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.
3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Developer’s other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Restaurant.
4. You shall surrender any material containing some or all of the Confidential Information to Developer or Franchisor, upon request, or upon termination of your employment by Developer.
5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.
6. You acknowledge that Developer is provided with access to all Manuals for limited purposes





only and remain Franchisor's property. You agree that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

### **Covenants Not to Compete**

1. In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your employment by Developer, and for a period of one (1) year following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's interest in the Development Agreement, you will not, without Franchisor's prior written consent or as permitted under other valid Development or Franchise Agreements between Developer and Franchisor:

a. Directly or indirectly divert, or attempt to divert, solicit, or take away to any Competitor or otherwise interfere with any of the business, customers, contractors, vendors, suppliers or patrons of any Boston's Restaurant or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System; and

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business which is, or is intended to be, located (i) within the Development Territory, or (ii) within a 10-mile radius of any Boston's Restaurant then in existence or under construction.

2. As used herein, the following terms have the meanings set forth below:

a. "Development Territory" means **[Insert the description from the Development Agreement]**

b. "Competitor" or "Competitive Business" means any business that is the same as or substantially similar to a Boston's Restaurant, including any sports bar and grill, or comparable casual dining facility with multiple televisions, which offers, alone or with other food options, pizza and/or pasta dishes.

### **Developer's Undertaking**

Developer agrees to make all commercially reasonable efforts to ensure that you comply with this Agreement.

### **Miscellaneous**

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or Franchisor's other business interests. The time periods relating to the obligations set forth in this Agreement will be tolled for any period of non-compliance.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor and Developer would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, you agree that Franchisor and/or Developer shall be entitled, in

addition to any other remedies which Franchisor or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and/or the Developer in enforcing this Agreement.

3. Any failure by Franchisor or Developer to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

**4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMIT YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.**

5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

6. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties. If directed to Franchisor, the notice shall be addressed to:

Boston Pizza Restaurant, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Attention: President  
Telephone: 972-484-9022  
Facsimile: 972-484-7630

If directed to Developer, the notice shall be addressed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_



If directed to Covenantor, the notice shall be addressed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

7. Franchisor and its successors and assigns shall be third-party beneficiaries of this Agreement, with the full and independent right, at Franchisor’s and their option and in Franchisor’s and their sole discretion, to enforce this Agreement. Franchisor’s rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor’s Affiliates, successors, and assigns. Your obligations and those of Developer may not be assigned without Franchisor’s prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

**DEVELOPER:**

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

**COVENANTOR:**

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



## ATTACHMENT H

### LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of Boston Pizza Restaurants, LP, a Delaware limited partnership (“Franchisor,” “we,” “us,” or “our”), and that the Restaurant located at the Premises (“Unit”) is operated under the Boston Pizza Restaurant franchise system (“System”), pursuant to a franchise agreement (“Franchise Agreement”) between Tenant and Franchisor. Landlord consents to Tenant’s use at the Premises of such marks and signs, decor items, color schemes and related components of a Boston’s Restaurant as we may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to us copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give us written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give us further written notice of such failure (“Franchisor Notice”). Following our receipt of the Franchisor Notice, we shall have the right (but not the obligation) to cure Tenant’s default before Landlord shall exercise any of Landlord’s remedies arising as a consequence of Tenant’s default. Any such cure shall be effected within fifteen (15) days following our receipt of the Franchisor Notice. Any cure by us shall not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If we cure Tenant’s default or notify Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord’s receipt of our notice thereof), Landlord agrees, upon our written request, to assign to us any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with us in order to pursue such action to a conclusion.

(d) If we cure Tenant’s default or notify Landlord of the termination of the Franchise Agreement, we shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1<sup>st</sup>) date of any cure by us; or

2. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and we shall enter into an agreement to document such assumption. We are not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, us as herein provided.

(e) If, during the six (6) month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), we shall notify Landlord that the franchise for the Unit is being granted to another Boston Pizza Restaurants franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord’s reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, we shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of us, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without our prior written consent.



(g) We shall have the right to enter the Premises to make any modification or alteration necessary to protect the Boston Pizza Restaurants system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by us. Tenant hereby releases, acquits and discharges us and Landlord, and our and Landlord's respective subsidiaries, Affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of our rights pursuant to the Addendum.

(h) Landlord agrees that it will not make any public announcements in any form of media regarding the fact that the Premises have been, will be, or may be leased for the establishment of a Boston's The Gourmet Pizza Restaurant & Sports Bar®, unless Landlord has our written consent.

(i) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, our mailing address shall be 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, Attention: President, which address may be changed by written notice to Landlord in the manner provided in the Lease.

## STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
DEVELOPMENT AGREEMENT  
FOR THE STATE OF CALIFORNIA**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**CALIFORNIA LAW MODIFICATIONS**

1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law will control.
- b. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- c. If the Developer is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- d. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
- e. If the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.
- f. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
- g. If the Agreement requires that it be governed by a state’s law, other than the State of California, such requirement may be unenforceable.
- h. Section III. of this Agreement is revised to state that Franchisor shall deposit all initial fees and payments due to it before Developer’s Restaurant opens into an escrow account with a bank that is located in the State of California. Franchisor shall ask Developer to sign a statement, for inclusion with a statement to the Commissioner of the Department of Business Oversight, that Franchisor has

performed its initial obligations under the applicable Franchise Agreement in order to release the funds from escrow.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**





IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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

**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF ILLINOIS**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**ILLINOIS LAW MODIFICATIONS**

The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Comp. Stat. ch. 815 para. 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. If the Agreement requires that it be governed by a state’s law, other than the state of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial decisions interpreting the Act), Illinois law will govern.
2. Any provision in the Agreement that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue outside the State of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside of Illinois.
3. 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.
4. Sections 19 and 20 of the Illinois Franchise Disclosure Act provide your rights upon termination and non-renewal of the Agreement.
5. All initial fees due to Franchisor before Developer opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Developer and Developer opens its first Restaurant for business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
6. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF MARYLAND**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**MARYLAND LAW MODIFICATIONS**

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. CODE ANN. § 14-201 et seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Developer is required in this Agreement to execute a release of claims as a condition to transfer and renew the franchise. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such release shall be void with respect to claims under the Law.
- b. This Agreement requires you to assent to a release of claims, estoppel or waiver of liability, to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Maryland Franchise Registration and Disclosure Law or a rule or order under the Maryland Franchise Registration and Disclosure Law in order to purchase the franchise. Such release, estoppel or waiver shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments shall be void with respect to claims under the Law.
- c. The Maryland Franchise Registration and Disclosure Law provides that Developer must bring any claims under the Law within 3 years from the grant of the franchise, which period shall apply for claims under such Law.
- d. If this Agreement requires litigation to be conducted in a forum other than the State of Maryland, the requirement shall not be interpreted to limit any rights you may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- e. Section III. of this Agreement is revised to state that Franchisor shall deposit all initial fees and payments due to it before Developer’s Restaurant opens into an escrow account with a bank that is located in the State of Maryland until Franchisor completes its initial obligations to Developer and Developer’s Restaurant opens for business. Franchisor currently maintains an escrow account with Wells Fargo Bank, N.A.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

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

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF MINNESOTA**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**MINNESOTA LAW MODIFICATIONS**

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 *et seq.*, and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims that the franchisees’ use of the Intellectual Properties infringes trademark rights of the third party. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that a franchisee be given written notice of a franchisor’s intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases that a franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- d. If the Agreement requires Developer to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- e. If the Agreement requires that it be governed by a state’s law, other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of Developer as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

- f. To the extent Minnesota Rule 2860.4400J. prohibits a franchisor from requiring You to consent to Franchisor obtaining injunctive relief, the Agreement is hereby revised to reflect that Franchisor may seek injunctive relief and that whether any bond shall be necessary shall be determined by the court.
- g. Section 80C.17 of the Act provides that no action may be commenced pursuant to that section more than three years after the cause of action accrues. No provision in the Agreement shall be construed to limit the time period for You to bring a claim under the Act.
- h. Section III. of this Agreement is amended to state that all initial fees and payments due to Franchisor before Developer opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Developer and Developer opens its first Restaurant for business.

2. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

\_\_\_\_\_

\_\_\_\_\_  
By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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





**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF NEW YORK**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**NEW YORK LAW MODIFICATIONS**

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Developer is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Agreement requires that it be governed by a state’s law, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Licensee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**NORTH DAKOTA LAW MODIFICATIONS**

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Developer is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law shall control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location shall be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

- g. Section III. of this Agreement is amended to state that the initial franchise fee due to Franchisor before Developer opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Developer and Developer opens for business.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF RHODE ISLAND**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**RHODE ISLAND LAW MODIFICATIONS**

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Developer is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**



IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF SOUTH DAKOTA**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**SOUTH DAKOTA LAW MODIFICATIONS**

1. The South Dakota Department of Labor and Regulation, Division of Securities requires that certain provisions contained in franchise documents be amended to be consistent with South Dakota law, including the South Dakota Codified Law Sec. 37-5B-1 – 37-5B-53. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Section III. of this Agreement is amended to state that the initial franchise fee due to Franchisor before Developer opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Developer and Developer opens for business.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the South Dakota law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**





IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Development Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**AMENDMENT TO BOSTON PIZZA RESTAURANTS, LP  
RESTAURANT DEVELOPMENT AGREEMENT  
FOR THE STATE OF WASHINGTON**

The Boston Pizza Restaurants, LP Restaurant Development Agreement between \_\_\_\_\_ (“Developer” or “You”) and Boston Pizza Restaurants, LP (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**WASHINGTON LAW MODIFICATIONS**

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1991). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Washington Franchise Investment Protection Act provides rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
- b. If Developer is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.
- c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
- d. If the Agreement requires that it be governed by a state’s law, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act shall control.
- e. Section III. of this Agreement is amended to state that the initial franchise fee due to Franchisor before Developer opens its Restaurant shall be deferred until Franchisor satisfies all of its pre-opening obligations to Developer and Developer opens for business. Because the Franchisor has material pre-opening obligations with respect to each Restaurant the Developer opens under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each Restaurant.

2. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a developer unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a developer under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the development agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

3 RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a developer from (i) soliciting or hiring any employee of a developer of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the development agreement or elsewhere are void and unenforceable in Washington.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Restaurant Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESS:

**BOSTON PIZZA RESTAURANTS, LP**  
**a Delaware limited partnership**

**By its general partner**  
**BPR GP, INC.**  
**a Delaware corporation**

\_\_\_\_\_

By: Authorized Signatory

\_\_\_\_\_

By: Authorized Signatory

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

WITNESS:

**DEVELOPER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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



**EXHIBIT C**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**



THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

## BOSTON PIZZA RESTAURANTS LP

### Statements of Financial Position

Period ending March 31, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Current assets:		
Cash and cash equivalents	\$ 1,400,269	\$ 546,968
Accounts receivable, net of allowance	260,292	252,335
Current portion of unearned commissions	12,144	12,172
Related party receivable	508,015	330,915
Prepaid expenses and other current assets	<u>45,376</u>	<u>40,581</u>
Total current assets	2,226,096	1,182,971
Cash and cash equivalents – restricted	331,311	331,207
Property and equipment, net	101,185	189,321
Unearned commissions	<u>419,486</u>	<u>462,489</u>
Total assets	<u>\$ 3,078,078</u>	<u>\$ 2,165,988</u>
<b>Liabilities and Partners' Capital/(Deficit)</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 423,390	\$ 345,847
PPP Loan	1,483,537	—
Current portion of deferred revenue	61,100	51,336
Current portion of deferred rent	<u>29,183</u>	<u>27,406</u>
Total current liabilities	1,997,210	424,589
Deferred rent	54,744	18,722
Deferred revenue	<u>1,221,602</u>	<u>1,272,044</u>
Total liabilities	3,273,556	1,715,355
Partners' capital/(deficit)	<u>(195,478)</u>	<u>450,634</u>
Total liabilities and partners' capital/(deficit)	<u>\$ 3,078,078</u>	<u>\$ 2,165,989</u>
	—	—

**BOSTON PIZZA RESTAURANTS LP**

Statements of Operations

Period ending March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Income:		
Royalty and franchise fee revenue	\$ 455,473	\$ 447,656
Other income	<u>113,400</u>	<u>139,974</u>
	568,873	587,630
Expenses:		
Administrative and development expenses	<u>688,009</u>	<u>1,304,307</u>
Net loss	<u>\$ (119,136)</u>	<u>\$ (716,677)</u>



**BOSTON PIZZA RESTAURANTS LP**

Statements of Cash Flows

Period ending March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net loss	\$ (119,136)	\$ (716,677)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	21,888	25,291
Bad debt expense	3,062	—
Other noncash expenses	—	—
Recognition of deferred revenue related to terminated contracts and opened stores, net of expenses	(18,374)	—
Net change in assets and liabilities:		
Accounts receivable	461,818	(12,430)
Unearned commissions	3,411	1,750
Related party receivable/payable	(8,573)	(295,767)
PPP Loans	865,377	—
Prepaid expenses and other current assets	(4,441)	(3,679)
Accounts payable and accrued liabilities	(3,762)	(163,070)
Deferred revenue	(13,572)	(12,432)
Deferred rent	(7,007)	(17,401)
Net cash used in operating activities	<u>1,180,691</u>	<u>(1,194,415)</u>
Cash flows from investing activities:		
Capital expenditures	<u>—</u>	<u>—</u>
Net cash used in investing activities	<u>—</u>	<u>—</u>
Cash flows from financing activities:		
Capital contributions from partners	<u>—</u>	<u>1,499,990</u>
Net cash provided by financing activities	<u>—</u>	<u>1,499,990</u>
Net increase (decrease) in cash and cash equivalents	1,180,691	305,575
Cash and cash equivalents, beginning of year	<u>550,890</u>	<u>572,600</u>
Cash and cash equivalents, end of year	<u>\$ 1,731,580</u>	<u>\$ 878,175</u>

**BOSTON PIZZA RESTAURANTS LP**

Statements of Changes in Partners' Capital/(Deficit)

Period ending March 31, 2021

Balance, December 31, 2019	\$ (332,679)
Contributions	<u>1,499,990</u>
Net loss	<u>(1,243,653)</u>
Balance, December 31, 2020	\$ <u>(76,342)</u>
Contributions	—
Net loss	<u>(119,136)</u>
Balance, March 31, 2021	\$ <u><u>(195,478)</u></u>

**BOSTON PIZZA RESTAURANTS LP**

Report of Independent Auditors

And Financial Statements

December 31, 2020 and 2019

## Table of Contents

---

	PAGE
<b>Report of Independent Auditors</b>	1-2
<b>Financial Statements</b>	
Balance sheets	3
Statements of operations	4
Statement of changes in partners' deficit	5
Statements of cash flows	6
Notes to financial statements	7-12



## Report of Independent Auditors

The Board of Directors  
Boston Pizza Restaurants LP

### Report on the Financial Statements

We have audited the accompanying financial statements of Boston Pizza Restaurants LP, which comprise the balance sheet as of December 31, 2020 and the related statements of operations, changes in partners' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Pizza Restaurants LP as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter – Going Concern**

The accompanying financial statements have been prepared assuming that Boston Pizza Restaurants LP will continue as a going concern. As discussed in Note 2 to the financial statements, Boston Pizza Restaurants LP has suffered from recurring losses from operations and has a net partners' deficit that raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

**Emphasis of Matter – Affiliates**

As discussed in Note 5 to the financial statements, Boston Pizza Restaurants LP has various agreements with affiliates related to administrative, management, support activities and various other items. The accompanying financial statements may not be indicative of conditions that would have existed if Boston Pizza Restaurants LP had been operated as an unaffiliated entity. Our opinion is not modified with respect to this matter.

**Other Matter**

The financial statements of Boston Pizza Restaurants LP as of and for the year ended December 31, 2019 were audited by another auditor whose report, dated May 20, 2020, expressed an unmodified opinion on those statements.

*Moss Adams LLP*

Dallas, Texas  
April 19, 2021

**BOSTON PIZZA RESTAURANTS LP**

Balance Sheets

<b>Assets</b>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Current assets:		
Cash and cash equivalents	\$ 219,578	\$ 161,393
Accounts receivable, net of allowance of \$28,388.83 and \$0 at December 31, 2020 and 2019, respectively	725,171	240,345
Current portion of unearned commissions	12,144	12,172
Related party receivable	499,442	35,148
Prepaid expenses and other current assets	40,935	36,903
Total current assets	1,497,270	485,961
Restricted cash	331,311	411,207
Property and equipment, net	123,073	214,612
Unearned commissions	422,897	464,239
Total assets	\$ 2,374,551	\$ 1,576,019
<b>Liabilities and Partners' Deficit</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 427,152	\$ 509,357
PPP Loan	618,160	—
Current portion of deferred revenue	62,100	57,167
Current portion of deferred rent	29,183	10,705
Total current liabilities	1,136,595	577,229
Deferred revenue	1,252,548	1,278,645
Deferred rent	61,751	52,824
Total liabilities	2,450,894	1,908,698
Partners' deficit	(76,343)	(332,679)
Total liabilities and partners' deficit	\$ 2,374,551	\$ 1,576,019

**BOSTON PIZZA RESTAURANTS LP**

Statements of Operations

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Income:		
Royalty and franchise fee revenue	\$ 1,628,027	\$ 2,453,593
Other income	<u>1,120,697</u>	<u>596,554</u>
	2,748,724	3,050,147
Expenses:		
Administrative and development expenses	<u>3,992,377</u>	<u>5,284,148</u>
Net loss	<u>\$ (1,243,653)</u>	<u>\$ (2,234,001)</u>



**BOSTON PIZZA RESTAURANTS LP**  
 Statements of Changes in Partners' Deficit

Balance, December 31, 2018	\$	(555,691)
Contributions		2,727,686
ASC 606 Adoption Adjustment		(270,672)
Net loss		<u>(2,234,002)</u>
Balance, December 31, 2019		(332,679)
Contributions		1,499,990
Net loss		<u>(1,243,653)</u>
Balance, December 31, 2020	\$	<u><u>(76,342)</u></u>

**BOSTON PIZZA RESTAURANTS LP**

Statements of Cash Flows

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net loss	\$ (1,243,653)	(2,234,002)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	95,039	95,899
Bad debt expense	35,402	14,914
Recognition of deferred revenue related to terminated contracts and opened stores, net of expenses	(175,000)	(275,000)
Net change in assets and liabilities:		
Accounts receivable	(520,228)	(31,781)
Unearned commissions	41,370	105,176
Related party receivable/payable	(464,294)	(1,150)
Prepaid expenses and other current assets	(4,032)	(1,916)
Accounts payable and accrued liabilities	(82,205)	(296,583)
Deferred revenue	153,836	91,740
Deferred rent	27,405	(6,086)
Net cash used in operating activities	<u>(2,136,360)</u>	<u>(2,538,789)</u>
Cash flows from investing activities:		
Capital expenditures	(3,500)	(33,075)
Net cash used in investing activities	<u>(3,500)</u>	<u>(33,075)</u>
Cash flows from financing activities:		
Proceeds from PPP loans	618,160	—
Capital contributions from partners	1,499,990	2,727,686
Net cash provided by financing activities	<u>2,118,150</u>	<u>2,727,686</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	(21,710)	155,822
Cash and cash equivalents and restricted cash, beginning of year	<u>572,600</u>	<u>416,778</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 550,889</u>	<u>572,600</u>

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

---

**(1) Description of Business**

Boston Pizza Restaurants LP, a Delaware limited partnership, (the "Partnership") operates as the franchisor of "Boston's The Gourmet Pizza ®" (the "Business"). The Partnership's business activities relate to the development of Boston's The Gourmet Pizza ® system and the offer, sale, and support of the franchised Business. There were 21 franchise-owned restaurants at December 31, 2020 and 19 at December 31, 2019, one restaurant location owned by related parties in operation at each year end December 31, 2020 and 2019.

The Partnership's limited partner is Treliving Private Investments Ltd. ("TPI"), a Canadian entity, with a 99% ownership position. The remaining 1% is owned by the general partner, Boston Pizza Restaurants GP, Inc. ("BPRGP"), a U.S. entity.

**(2) Liquidity**

The Partnership incurred a net loss of \$1,243,653 and negative cash flow from operations of \$2,136,360 for the year ended December 31, 2020. Throughout 2020 and continuing into 2021, the global crisis resulting from the spread of the novel coronavirus ("COVID-19"), along with government and consumer responses to the pandemic, had, and continue to have, a substantial impact on the Company's operations. During 2020, many of the franchised restaurants were temporarily closed and most of the restaurants that remained open had limited operations. This has continued into 2021. The Company's operating results substantially depend upon the sales volumes, restaurant profitability, and financial stability of the franchised restaurants.

This matter raises substantial doubt about the Partnership's ability to continue as a going concern for a period of one year from the date the financial statements are issued. The Partnership took extraordinary actions to increase liquidity in response to COVID-19 by reducing essential Support Center General & Administrative expenses and negotiating all contracts with its vendors. Additionally, the Partnership obtained Paycheck Protection Program (the "PPP") loans, as well as take advantage of the Employee Retention Tax Credit ("ERTC"). The PPP is sponsored by the Small Business Administration (the "SBA"). Both the PPP and the ERTC are part of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Additionally, the Board of Directors and management took the following actions to assist the franchisees with their liquidity position:

- Assist with the negotiation of payment plans with major suppliers and landlords for past due amounts;
- Temporary abatement, deferral and reduction of royalty and advertising amounts charged to each franchisee;
- Worked with franchisees to obtain separate PPP loans;
- Assist with costs reductions and labor management at the restaurant level;
- Assist franchisees with PPP forgiveness rules and guidelines; and
- Assist franchisees with Employee Retention Tax Credit (ERTC) rules and guidelines.

The Business has continued to re-open dining rooms, which in some cases were at limited capacities, as local regulations have allowed throughout the pandemic. With the availability of the vaccine to the general public, the Company is optimistic that the dining rooms will remain open. If the Partnership is unable to obtain additional funding and is unable to generate sufficient cash flow from operations, the Company would have to curtail its operations. The accompanying financial statements do not include any adjustments to reflect the outcome of this uncertainty.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

---

**(3) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The Partnership's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Partnership believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as December 31, 2020 and 2019. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board as the source of authoritative U.S. GAAP.

**(b) Cash and Cash Equivalents and Restricted Cash**

For purposes of determining cash flows, the Partnership considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash represents cash related to development funds held in escrow, in accordance with applicable state franchising laws. There was approximately \$101,000 held as restricted cash related to a requirement by its financial institution at December 31, 2020 and 2019. Classification of restricted balances in the accompanying balance sheets is based on the expected date the restrictions will be released. Cash and cash equivalents and restricted cash are held primarily in one financial institution. If cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

**(c) Accounts Receivable**

Trade receivables are recorded at the stated amount less a reserve for uncollectible accounts. The Partnership does not generally charge interest on trade receivables. At December 31, 2020 and 2019 the Partnership's allowance for uncollectible accounts was approximately \$28,000 and \$0, respectively. The reserve is calculated based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable and historical experience. The receivable is written-off against the allowance when, in the judgment of management, it is not likely that substantive realization will come from ongoing collection efforts, or if collection efforts are terminated. During 2020 and 2019, the Company recorded approximately \$35,000 and \$15,000 as bad debt expense, respectively.

**(d) Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Long-lived assets held and used by the Partnership are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. Impairments, if any, are measured based on the fair value of the related assets. Based on the Partnership's analysis, there has not been any impairment of long-lived assets during 2020 and 2019.

The estimated useful lives of the Partnership's property and equipment are as follows:

	<u>Estimated life</u>
Computer hardware	3 years
Computer software	3 years
Office equipment	3 years

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

---

(e) **Revenue Recognition**

Effective January 1, 2019, the Partnership accounted for revenue under ASC Topic 606, Revenue from Contracts with Customers ASC 606 was applied to all contracts that were not complete as of the date of adoption, using the modified retrospective transition method and resulted in a cumulative effect adjustment to the Partnership's beginning capital.

(i) **Franchise Agreements**

Under ASC 606, the Partnership is required to defer initial and renewal fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Partnership's on-going performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial term of the related franchise agreement.

In the event that the required number of restaurants are not opened during the specified time period, the area developer has been provided notice of default, and it is unlikely that future development will occur, the development agreement may be terminated or modified, and, if terminated, the deposit is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Partnership. Approximately \$125,000 and \$275,000 were recognized in 2020 and 2019, respectively, as a result of terminated development agreements.

Franchising costs relating to franchise sales for which revenue has not been recorded are deferred and included as unearned commissions until the related revenue is earned unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in Administrative and development costs. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling and administrative costs, are expensed as incurred.

(ii) **Franchise Royalties**

Royalty income is based on a fixed percentage of sales of the franchised locations. As a result of the sales based royalty exception within the provisions of ASC 606, the adoption of ASC 606 did not impact the recognition of these royalties, as royalty income is recorded as revenue as the fees are earned and included in Franchise revenue in the Statements of Operations.

(iii) **Other Income**

Other income primarily consists of rebates received from equipment suppliers that are generally driven by volume rebates on purchases by franchisees, and amounts received as a result of legal settlements. Rebates earned from suppliers were approximately \$371,000 and \$496,000 during 2020 and 2019, respectively. Supplier rebates are received pursuant to binding agreements and are based on a specified cumulative level of purchases. The provisions of ASC 606 did not impact the recognition of supplier rebate revenue, as rebate amounts are considered earned when the agreed upon purchase levels are attained. The Partnership received approximately \$750,000 and \$100,000 during 2020 and 2019, respectively, as a result of litigation settlements.

(f) **Advertising Costs**

Advertising costs are expensed as incurred and were approximately \$15,000 and \$293,000 in 2020 and 2019, respectively.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

---

(g) **Use of Estimates**

The preparation of financial statements in conformity in accordance with U.S GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include useful lives of property and equipment and allowances for doubtful accounts.

(h) **Fair Value of Financial Instruments**

At December 31, 20 and 2019, the Partnership's financial instruments included cash and cash equivalents, restricted cash, trade receivables, accounts payable and the PPP loan. Due to the short-term maturities of these items, the carrying amounts approximate fair value.

(i) **Paycheck Protection Program Loan**

The note payable issued pursuant to the PPP, administered by the SBA under the CARES Act, is recorded in accordance with the ASC 470, Debt. The Company is in process of applying for forgiveness and expects to receive forgiveness on the majority of the loan. The Company will account for any potential forgiveness of the loan in accordance with ASC 470-50-40 as a debt extinguishment.

(j) **Income Taxes**

In accordance with federal income tax regulations, income taxes are the responsibility of the partners and are not levied on the Partnership. Accordingly, income taxes have not been reflected in the accompanying financial statements.

In accordance with accounting standards on uncertain tax positions, the Partnership recognizes the tax benefit from an uncertain tax position only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Management has identified no uncertain tax positions; therefore no accruals have been made in the accompanying financial statements.

(k) **Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will require lessees to report on their balance sheet a right-of-use asset and a lease liability in connection with most lease agreements classified as operating leases under the current guidance. The lease liability will be measured based on the present value of future lease payments, subject to certain conditions. The right-of-use asset will be measured based on the initial amount of the liability, plus certain initial direct costs. The new guidance will further require that leases be classified at inception as either operating leases or finance leases. The FASB issued ASU 2020-05 - *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which defers the effective date for privately held entities to fiscal years beginning after December 15, 2021 and must be applied using a modified retrospective application beginning with the earliest period presented. The Partnership is evaluating the effect, if any, the new standard will have on its financial statements and related disclosures.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

**(4) Property and Equipment, Net**

Property and equipment, net at December 31, 2020 and 2019 consists of the following:

	<b>2020</b>	<b>2019</b>
Computer Hardware	\$ 125,562	\$ 137,562
Computer Software	181,581	205,677
Office Equipment	131,767	450,878
	438,910	794,117
Accumulated Depreciation	315,837	579,505
	\$ 123,073	\$ 214,612

Depreciation expense amounted to approximately \$95,000 and \$96,000 for the years ended December 31, 2020 and 2019, respectively.

**(5) Related Parties**

BPRGP, the Partnership's general partner is a wholly owned subsidiary of Boston Pizza Restaurants (USA), Inc. ("BPRUSA"). Other entities owned by BPRUSA are considered related parties of the Partnership, and the transactions with related parties are described below. Approximately \$499,000 and \$35,000 were due from related parties as of December 31, 2020 and 2019, respectively.

*(i) Management Services and Marketing Arrangements*

The Partnership has a management services agreement with a related party franchisor of the Boston's the Gourmet Pizza ® brand outside of the U.S. Under the management services agreement, the Partnership earned service fees of approximately \$45,000 and \$76,000 for the years ended December 31, 2020 and 2019, respectively. All management service fees are recorded as a reduction in administrative and development expenses.

The Partnership has a marketing services agreement with a subsidiary of BPRUSA that performs certain marketing activities that promote the Boston's the Gourmet Pizza ® brand. As compensation for services performed by the related party, the Partnership recorded marketing expenses of approximately \$0 and \$254,000 for the years ended December 31, 2020 and 2019, respectively which are included in administrative and development expenses.

*(ii) Franchise Fees*

Included in franchise fees are amounts received from restaurant locations owned by related parties totaling approximately \$74,000 and \$253,000 for 2020 and 2019, respectively.

**(6) Commitments and Contingencies**

The Partnership entered into a lease agreement for office space which expires on September 30, 2023. The minimum annual rental payments under the lease are as follows:

2021	\$ 199,793
2022	204,413
2023	155,908
	\$ 560,114

Rent expense was approximately \$171,000 and \$163,000 for the years ended December 31, 2020 and 2019, respectively.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2020 and 2019

---

The Partnership is subject to legal action and claims arising in the ordinary course of business. Although the outcome of any legal matter cannot be predicted with certainty, the Partnership does not believe that any legal proceedings, or matters in which the Partnership is currently involved, will have a material adverse effect on its business, financial position, results of operations or cash flows.

**(7) Paycheck Protection Program Loan**

On May 4, 2020, the Partnership applied for and received a Round 1 PPP loan of \$618,000 from a financial institution pursuant to the PPP administered by the SBA under the CARES Act. The proceeds from the PPP loan may only be used to retain workers and maintain payroll or make mortgage interest, lease, and utility payments. All or a portion of the loan may be forgiven if the proceeds are used in accordance with the terms of the program within the measurement period elected. The PPP loan accrues interest of 1% per annum and matures on May 4, 2022 should the loan not be forgiven under the PPP loan program established under the CARES Act of 2020. Even monthly principal payments on any unforgiven PPP loan amount will begin six months after the date of the note. Interest will accrue from the date of the note through the first of either the maturity, payoff, or forgiveness date.

**(8) Subsequent Events**

We have evaluated events or transactions occurring after December 31, 2020, the date of the statement of financial position, through April 19, 2021, the date the financial statements were made available to be issued.

In January 2021, the Partnership received final payment on a litigation settlement from the year ended December 31, 2020. The settlement was fully accrued into revenue in 2020 and listed in accounts receivable as of December 31, 2020.

In February 2021, the Partnership applied for and received a Round 2 PPP loan of \$865,000, which accrues interest at 1% per annum and matures on February 8, 2026 should the loan not be forgiven under the PPP loan program established under the CARES Act. Even monthly principal payments on any unforgiven PPP loan amount will begin on May 1, 2021. Interest will accrue from the date of the note through the first of either maturity, payoff, or forgiveness date. This loan, as well as the Round 1 loan of \$618,000 are fully expected to receive 100% forgiveness per the SBA guidelines under the PPP Program.





**BOSTON PIZZA RESTAURANTS LP**  
Financial Statements  
December 31, 2019 and 2018  
(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 1400  
2323 Ross Avenue  
Dallas, TX 75201-2721

## Independent Auditors' Report

The Partners  
Boston Pizza Restaurants LP:

We have audited the accompanying financial statements of Boston Pizza Restaurants LP, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of operations, changes in partners' capital/(deficit), and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Pizza Restaurants LP as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Emphasis of Matter Regarding Going Concern*

The accompanying financial statements have been prepared assuming that Boston Pizza Restaurants LP will continue as a going concern. As discussed in Note 2 to the financial statements, Boston Pizza Restaurants LP has suffered recurring losses from operations and has a net partners' deficit that raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG Network, a Swiss entity.



management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

*Emphasis of Matter Regarding Affiliates*

As discussed in Note 5 to the financial statements, Boston Pizza Restaurants LP has various agreements with affiliates related to administrative, management, support activities and various other items. The accompanying financial statements may not be indicative of conditions that would have existed if Boston Pizza Restaurants LP had been operated as an unaffiliated entity. Our opinion is not modified with respect to this matter.

*Emphasis of Matter Regarding a Change in Accounting Principle*

As discussed in Note 7 to the financial statements, in 2019, Boston Pizza Restaurants LP adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. Our opinion is not modified with respect to this matter.

KPMG LLP

Dallas, Texas  
May 20, 2020

**BOSTON PIZZA RESTAURANTS LP**

Statements of Financial Position

December 31, 2019 and 2018

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Current assets:		
Cash and cash equivalents	\$ 161,393	6,032
Accounts receivable, net of allowance of \$0 and \$222,300, respectively	240,345	223,478
Current portion of unearned commissions	12,172	125,750
Related party receivable	35,148	33,998
Prepaid expenses and other current assets	<u>36,903</u>	<u>34,987</u>
Total current assets	485,961	424,245
Cash and cash equivalents – restricted	411,207	410,746
Property and equipment, net	214,612	277,436
Unearned commissions	<u>464,239</u>	<u>417,437</u>
Total assets	\$ <u>1,576,019</u>	\$ <u>1,529,864</u>
<b>Liabilities and Partners' Capital/(Deficit)</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 509,357	805,940
Current portion of deferred revenue	57,167	255,000
Current portion of deferred rent	<u>10,705</u>	<u>6,085</u>
Total current liabilities	577,229	1,067,025
Deferred rent	52,824	63,530
Deferred revenue	<u>1,278,645</u>	<u>955,000</u>
Total liabilities	1,908,698	2,085,555
Partners' capital/(deficit)	<u>(332,679)</u>	<u>(555,691)</u>
Total liabilities and partners' capital/(deficit)	\$ <u>1,576,019</u>	\$ <u>1,529,864</u>

See accompanying notes to financial statements.

**BOSTON PIZZA RESTAURANTS LP**

Statements of Operations

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Income:		
Royalty and franchise fee revenue	\$ 2,453,593	2,337,942
Other income	596,554	599,485
	<u>3,050,147</u>	<u>2,937,427</u>
Expenses:		
Administrative and development expenses	5,284,149	5,418,285
Net loss	<u>\$ (2,234,002)</u>	<u>(2,480,858)</u>

See accompanying notes to financial statements.

**BOSTON PIZZA RESTAURANTS LP**  
**Statements of Changes in Partners' Capital/(Deficit)**  
**Years ended December 31, 2019 and 2018**

Balance, December 31, 2017	\$	(662,278)
Contributions		2,587,445
Net loss		<u>(2,480,858)</u>
Balance, December 31, 2018		(555,691)
Contributions		2,727,686
ASC 606 Adoption Adjustment		(270,672)
Net loss		<u>(2,234,002)</u>
Balance, December 31, 2019	\$	<u><u>(332,679)</u></u>

See accompanying notes to financial statements.

**BOSTON PIZZA RESTAURANTS LP**  
**Statements of Cash Flows**  
**Years ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
Cash flows from operating activities:		
Net loss	\$ (2,234,002)	(2,480,858)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	95,899	74,145
Bad debt expense	14,914	149,317
Other noncash expenses	—	—
Recognition of deferred revenue related to terminated contracts and opened stores, net of expenses	(275,000)	—
Net change in assets and liabilities:		
Accounts receivable	(31,781)	(144,588)
Unearned commissions	105,176	(110,501)
Related party receivable/payable	(1,150)	(953,979)
Prepaid expenses and other current assets	(1,916)	31,976
Accounts payable and accrued liabilities	(296,583)	24,257
Deferred revenue	91,740	200,000
Deferred rent	(6,086)	69,615
Net cash used in operating activities	(2,538,789)	(3,140,616)
Cash flows from investing activities:		
Capital expenditures	(33,075)	(143,266)
Net cash used in investing activities	(33,075)	(143,266)
Cash flows from financing activities:		
Capital contributions from partners	2,727,686	2,587,445
Net cash provided by financing activities	2,727,686	2,587,445
Net increase (decrease) in cash and cash equivalents	155,822	(696,437)
Cash, cash equivalents and restricted cash at beginning of year	416,778	1,113,215
Cash, cash equivalents and restricted cash at end of year	\$ 572,600	416,778
Supplemental cash flow information:		
Forgiveness of licensing fees by owner	\$ —	—

See accompanying notes to financial statements.

## BOSTON PIZZA RESTAURANTS LP

Notes to Financial Statements

December 31, 2019 and 2018

### (1) Description of Business

Boston Pizza Restaurants LP, a Delaware limited partnership, (the Partnership) operates as the franchisor of "Boston's The Gourmet Pizza ®" (the Business). The Partnership's business activities relate to the development of Boston's The Gourmet Pizza ® system and the offer, sale, and support of the franchised businesses. There were 19 franchisee-owned restaurants at December 31, 2019 and 21 in 2018, one restaurant location owned by related parties in operation at December 31, 2019 and two restaurant locations owned by related parties in operation at December 31, 2018.

The Partnership's limited partner is Treliving Private Investments Ltd. (TPI), a Canadian entity, with a 99% ownership position. The remaining 1% is owned by the general partner, Boston Pizza Restaurants GP, Inc. (BPRGP), a U.S. entity.

### (2) Going Concern

Historically, the Partnership has incurred net losses, negative cash flows from operations, and working capital deficiencies. Whether, and when, the Partnership can attain profitability and positive cash flows from operations is uncertain. These uncertainties cast substantial doubt upon the Partnership's ability to continue as a going concern. The Partnership will require funding from TPI in order to fund its operations for twelve months from the date these financial statements are available to be issued. The availability of this funding may be adversely impacted by uncertain market conditions. To address its financing requirements from January 1, 2020 through May 20, 2021, the Partnership will seek financing through equity infusions from TPI of \$2,500,000 of which \$1,500,000 has been received through May 20, 2021. There is no assurance the Partnership will receive the additional required funding from TPI. Additionally, the Partnership has applied for and received funding from the Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$616,000. The Partnership also intends to reduce salary and benefits expense through a reduction in headcount in the amount of approximately \$1,200,000. However, the ultimate outcome of these matters cannot be reasonably estimated at this time.

### (3) Summary of Significant Accounting Policies

#### (a) Cash and Cash Equivalents

For purposes of determining cash flows, the Partnership considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

#### (b) Restricted Cash and Cash Equivalents

The Partnership had approximately \$310,000 restricted cash related to development funds held in escrow, in accordance with applicable state franchising laws at December 31, 2019 and 2018. There was approximately \$101,000 related to a requirement by its financial institution at December 31, 2019, and \$100,000 as of December 31, 2018. Classification of restricted balances in the accompanying statements of financial position is based on the expected date the restrictions will be released.

#### (c) Accounts Receivable

Trade receivables are recorded at the stated amount less a reserve for uncollectible accounts. The Partnership does not generally charge interest on trade receivables. As of December 31, 2019 and 2018 the Partnership's allowance for uncollectible accounts was approximately \$0 and \$222,300,



**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

respectively. The reserve is calculated based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable and historical experience. The 2018 uncollectible accounts reserve specifically related to the Smokey Point, Mill Creek, Bellingham, Jacksonville, and Toms River store locations, which were all written-off as uncollectable in 2019. The receivable is written-off against the allowance when, in the judgment of management, it is not likely that substantive realization will come from ongoing collection efforts, or if collection efforts are terminated. Subsequent to the write-off of the receivables, the Partnership recovered \$100,200 pursuant to the bankruptcy judgement for Toms River. During 2019 and 2018, the Company recorded approximately \$14,900 and \$149,300 as bad debt expense, respectively.

**(d) Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Long-lived assets held and used by the Partnership are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. Impairments, if any, are measured based on the fair value of the related assets. Based on the Partnership's analysis, there has not been any impairment of long-lived assets during 2019 and 2018.

The estimated useful lives of the Partnership's property and equipment are as follows:

	<u>Estimated life</u>
Computer hardware	3 years
Computer software	3 years
Office equipment	3 years

**(e) Revenue Recognition**

Effective fiscal 2019, we adopted FASB Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606), from the previous guidance ASC Topic 605, *Revenue Recognition* and ASC Subtopic 952-605, *Franchisors – Revenue Recognition* (together, Legacy GAAP). The New Standard was applied to all contracts that were not complete as of the date of adoption, using the modified retrospective transition method and resulted in a cumulative effect adjustment to the Partnership's beginning capital. The transition to ASC 606 represents a change in accounting principle. The Partnership's consolidated financial statements reflect the adoption of ASC 606 beginning in 2019, while the Partnership's consolidated financial statements prior to 2019 were prepared under the guidance of Legacy GAAP. Revenues are presented in the Partnership's Royalty and franchise fee revenue caption in the Statement of Operations. Refer below for our significant revenue accounting policies and to note 7 – Revenue Recognition for deferred revenues and new standard transition disclosures.

**(i) Franchise Agreements**

Under ASC 606, the Partnership is required to defer initial and renewal fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Partnership's on-going performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress)

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

over the initial term of the related franchise agreement. Under Legacy GAAP, Franchise fees were recognized as income when the obligations under the franchise agreement were satisfied, generally upon the opening of the new franchise restaurant. Refer to note 7 for impact of transition to new accounting standard on deferred revenue recognition.

In the event that the required number of restaurants are not opened during the specified time period, the area developer has been provided notice of default, and it is unlikely that future development will occur, the development agreement may be terminated or modified, and, if terminated, the deposit is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Partnership. Approximately \$275,000 and \$0 were recognized in 2019 and 2018, respectively, as a result of terminated development agreements.

Franchising costs relating to franchise sales for which revenue has not been recorded are deferred and included as unearned commissions until the related revenue is earned unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in Administrative and development expenses. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling and administrative costs, are expensed as incurred. Refer to note 7 for impact of transition to new accounting standard on deferred costs recognition.

*(ii) Franchise Royalties*

Royalty income is based on a fixed percentage of sales of the franchised locations. As a result of the sales based royalty exception within the provisions of ASC 606, the adoption of ASC 606 did not impact the recognition of these royalties, as royalty income is recorded as revenue as the fees are earned and included in Franchise revenue in the Statements of Operations.

*(iii) Other Income*

Other income primarily consists of rebates received from equipment suppliers that are generally driven by volume rebates on purchases by franchisees, and amounts received as a result of legal settlements. Rebates earned from suppliers were approximately \$496,000 and \$574,000 during 2019 and 2018, respectively. Supplier rebates are received pursuant to binding agreements and are based on a specified cumulative level of purchases. The provisions of ASC 606 did not impact the recognition of supplier rebate revenue, as rebate amounts are considered earned when the agreed upon purchase levels are attained. The Partnership received approximately \$100,000 and \$15,000 during 2019 and 2018, respectively, as a result of litigation settlements.

**(f) Advertising Costs**

Advertising costs are expensed as incurred and were approximately \$293,000 and \$383,000 in 2019 and 2018, respectively.

**(g) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include useful lives of property and equipment and allowances for doubtful accounts.

**(h) Fair Value of Financial Instruments**

At December 31, 2019 and 2018, the Partnership's financial instruments included cash and cash equivalents, restricted cash, trade receivables and accounts payable. Due to the short-term maturities of these items, the carrying amounts approximate fair value.

**(i) Income Taxes**

In accordance with federal income tax regulations, income taxes are the responsibility of the partners and are not levied on the Partnership. Accordingly, income taxes have not been reflected in the accompanying financial statements.

In accordance with accounting standards on uncertain tax positions, the Partnership recognizes the tax benefit from an uncertain tax position only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Management has identified no uncertain tax positions; therefore no accruals have been made in the accompanying financial statements.

**(j) Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will require lessees to report on their balance sheet a right-of-use asset and a lease liability in connection with most lease agreements classified as operating leases under the current guidance. The lease liability will be measured based on the present value of future lease payments, subject to certain conditions. The right-of-use asset will be measured based on the initial amount of the liability, plus certain initial direct costs. The new guidance will further require that leases be classified at inception as either operating leases or finance leases. The ASU is effective for fiscal years beginning after December 15, 2019 and must be applied using a modified retrospective application beginning with the earliest period presented. The Partnership is evaluating the effect, if any, the new standard will have on its financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash flows (Topic 230): Restricted Cash*. The amendments in the update indicate that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash, (i.e. restricted cash is included with cash and cash equivalents when reconciling the beginning and ending totals shown on the statement of cash flows). The update also requires entities to disclose 1) the nature of the restrictions on cash and 2) the amounts and line items in which these amounts are reported within the statement of financial position. The amendments are effective for annual periods beginning after December 15, 2018 for all nonpublic companies, and are applied retrospectively to all periods presented. The Partnership adopted the standard, which resulted in a presentation change to the statements of cash flows (including amounts reported in prior periods) as the Company currently has restricted cash designated for various activities.

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. The new accounting standard is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Partnership is evaluating the effects that the adoption of this guidance will have on the related disclosures.

**(4) Property and Equipment, Net**

Property and equipment, net at December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Computer hardware	\$ 137,562	119,488
Computer software	205,677	81,849
Office equipment	450,878	450,878
CIP – Online Ordering System	—	108,827
	<u>794,117</u>	<u>761,042</u>
Accumulated depreciation	<u>(579,505)</u>	<u>(483,606)</u>
	<u>\$ 214,612</u>	<u>277,436</u>

**(5) Related Parties**

The Partnership's general partner is a wholly owned subsidiary of Boston Pizza Restaurants (USA), Inc. (BPRUSA). Other entities owned by BPRUSA are considered related parties of the Partnership, and the transactions with related parties are described below. \$35,148 and \$33,998 was due from related parties as of December 31, 2019 and 2018, respectively.

*Management Services and Marketing Arrangements*

The Partnership has a management services agreement with a related party franchisor of the Boston's the Gourmet Pizza ® brand outside of the U.S. Under the management services agreement, the Partnership earned service fees of \$76,059 and \$63,164 for the years ended December 31, 2019 and 2018, respectively. All management service fees are recorded as a reduction in administrative and development expenses.

The Partnership has a marketing services agreement with a subsidiary of BPRUSA that performs certain marketing activities that promote the Boston's the Gourmet Pizza ® brand. As compensation for services performed by the related party, the Partnership recorded marketing expenses of \$253,648 and \$372,000 for the years ended December 31, 2019 and 2018, respectively which are included in Administrative and development expenses.

*Franchise Fees*

Included in franchise fees are amounts received from restaurant locations owned by related parties totaling \$253,474 and \$281,358 for 2019 and 2018, respectively.

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

**(6) Commitments and Contingencies**

The Partnership entered into a lease agreement for office space which expires on September 30, 2023. The minimum annual rental payments under the lease are as follows:

2020	\$	181,315
2021		185,935
2022		190,554
2023 and thereafter		<u>145,514</u>
	\$	<u>703,318</u>

Rent expense was approximately \$163,000 and \$192,000 for the years ended December 31, 2019 and 2018, respectively.

The Partnership is subject to legal action and claims arising in the ordinary course of business. Although the outcome of any legal matter cannot be predicted with certainty, the Partnership does not believe that any legal proceedings, or matters in which the Partnership is currently involved, will have a material adverse effect on its business, financial position, results of operations or cash flows.

**(7) Royalty and Franchise Fee Revenue**

**(a) Adoption of ASC Topic 606, Revenue from Contracts with Customers**

Franchise fee deposits for new restaurant openings from franchisees are deferred and included as deferred revenue in the Statements of Financial Position and recognized on a straight-line basis into Royalty and franchise fee revenue in the Statement of Operations over the term of the franchise agreements. A summary of significant changes to the related deferred balance during the fiscal year ended December 31, 2019 is presented below, along with the revenues expected to be recognized in the subsequent periods.

		<u>Deferred franchise fee revenue</u>
Balance, December 31, 2018	\$	1,210,000
Cumulative effect adjustment from adoption of ASC 606		309,021
Additions		150,000
Amount recognized to franchise fee revenue		<u>(333,209)</u>
Balance, December 31, 2019	\$	<u>1,335,812</u>

The Partnership anticipates a substantial portion of the deferred revenue ending balance will be satisfied over the next 10 years as the Partnership completes its remaining performance obligations. Variable consideration in the form of monthly royalties are exempt from the table above. Periodically, the Partnership offers a new version of the franchise agreement which may become available to new

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

and existing franchisees. In the event an existing franchisee executes the new version, the Partnership will assess the change in accordance with the contract modification guidance under the New Standard.

**(b) Financial Statement Impact of Transition to ASC 606**

ASC 606 was applied to all open contracts with customers as of the first day of fiscal 2019. The cumulative effect was applied using the modified retrospective approach. The Statement of Financial Position reflect the transition to ASC 606 as an adjustment at January 1, 2019 as follows:

<u>Impact of transition adjustments to partners' deficit</u>	
Balance, December 31, 2017	\$ (662,278)
Contributions	2,587,445
Net loss	<u>(2,480,858)</u>
Balance, December 31, 2018	(555,691)
ASC 606 transition adjustment	(270,672)
Contributions	2,727,686
Net loss	<u>(2,234,002)</u>
Balance, December 31, 2019	<u>\$ (332,679)</u>

**(c) Comparison of Fiscal Year 2019 Period if Legacy GAAP Had Been in Effect**

The following tables reflect the impact to the Statement of Operations for the fiscal year ended December 31, 2019, Cash flows from operating activities for the fiscal year ended December 31, 2019, and Statements of Financial Position at December 31, 2019 as if the Legacy GAAP was still in effect. Additionally, the adjustments presented below in the Statements of Financial Position relate to the cumulative effect impact described above in the "Financial Statement Impact of Transition to ASC 606" as of December 31, 2019.

*Statement of Financial Position*

	<u>As reported ASC 606 amounts</u>	<u>Adjustments</u>	<u>Legacy GAAP amounts</u>
Current portion of unearned commissions	\$ 12,172	57,828	70,000
Unearned commissions	464,239	(91,290)	372,949
Current portion of deferred revenue	(57,167)	(127,833)	(185,000)
Deferred revenue	(1,278,645)	399,435	(879,210)
Partners' deficit	(332,679)	270,672	(62,007)

**BOSTON PIZZA RESTAURANTS LP**

Notes to Financial Statements

December 31, 2019 and 2018

*Statement of Operations*

	<b>Fiscal year ended December 31, 2019</b>		
	<b>As reported ASC amounts</b>	<b>Adjustments</b>	<b>Legacy GAAP amounts</b>
Income:			
Royalty and franchise fee revenue	\$ 2,453,593	66,657	2,520,250
Other income	596,554	—	596,554
	<u>3,050,147</u>	<u>66,657</u>	<u>3,116,804</u>
Expenses:			
Administrative and development expenses	5,284,149	34,125	5,318,274
Net loss	\$ (2,234,002)	32,532	(2,201,470)

**(8) Subsequent Events**

We have evaluated events or transactions occurring after December 31, 2019, the date of the statement of financial position, through May 20, 2020, the date the financial statements were made available to be issued. Two franchisee owned locations opened and one franchisee owned location permanently closed in early 2020.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Partnership's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Partnership's franchisees, employees, and vendors all of which are uncertain and cannot be reasonably estimated. During the time period of March 1, 2020 through May 20, 2020 there were 10 franchisee owned locations that had been fully or partially closed at some point due to COVID-19. The remaining locations were fully operational during this time period. As of May 20, 2020, there were 10 store locations that were fully operational, 6 store locations that remained fully closed, and 5 store locations that were partially operational due COVID-19. At this point, the extent to which COVID-19 may impact the Partnership's financial condition or results of operations is uncertain.

**EXHIBIT D**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF CURRENT AND FORMER FRANCHISEES AND AREA DEVELOPERS**





**Current Franchisees and Area Developers as of December 31, 2020:**

**ARIZONA**

BOSTCG, LLC  
Piyush Patel  
804 N. Cacheris Ct  
Casa Grande, AZ 85122  
(520) 251-1800

Marana, AZ  
Sunil (Sunny) Patel  
MAA Pavilion Rd., LLC  
11035 N. Gemma Avenue  
Oro Valley, AZ 85742  
(307) 321-4970

**ARKANSAS**

LR-HI, LLC  
Timothy B. O'Reilly  
3201 Bankhead Dr  
Little Rock, AR 72206  
(501) 235-2000

**CALIFORNIA**

Citrus Heights, CA  
Gurtej Gill  
Cal Restaurants  
111 West Q Street  
Rio Linda, CA 95673  
(916) 752-9077

BP Foods, Inc.  
Sanjiv Bhagat  
Jyoti Madhura  
16927 Sierra Lakes Pkwy  
Fontana, CA 92336  
(909) 823-2300

**COLORADO**

KMG Enterprises, Inc.  
Randy Gulden  
2404 Patterson Rd  
Grand Junction, CO 81505

**MARYLAND**

BP Waldorf, LLC  
Pank Presswala  
10440 O'Donnell Pl  
Waldorf, MD 20603  
(301) 396-4988

**MICHIGAN**

RROK Investments, LLC  
Rrok Dedivanaj  
3324 Owen Rd  
Fenton, MI 48430  
(810) 750-5800

Boston's Eastwood, LLC  
Robert H. McRae  
3301 Towne Center Blvd  
Lansing, MI 48912  
(517) 489-2200

Hallside, Inc.  
Robert H. McRae  
15133 Hall Rd  
Shelby Township, MI 48315  
(586) 247-4992

**MINNESOTA**

Blackshirts, Inc.  
Gurdev Pandher  
12794 Riverside Blvd., NW  
Coon Rapids, MI 55448  
(763) 421-2100

**MONTANA**

Sunrock Development  
Shawna Rothwell & Leanne Bailly  
1101 7th Street South  
Great Falls, MT 59405  
(406) 761-2788



**NORTH DAKOTA**

South 49 Properties, Inc.  
Gregg Most  
1640 13th Avenue E  
West Fargo, ND 58078  
(701) 532-2220

**OHIO**

199NWB, LLC  
Tim & Carla Emery  
191 W. Nationwide Blvd  
Columbus, OH 43215  
(614) 229-4275

J and J Bostons Marysville, LLC  
Joseph L. Maggard  
1099 Lydia Dr  
Marysville, OH 43040  
(937) 642-0584

**TEXAS**

Arlington, Texas  
RGH BP GROUP, LLC  
Attn: Kuljeet Dhillow  
198 Cornerstone Circle NE  
Calgary, Alberta, CA T3N 1H1  
(403) 681-7455

Irving, Texas  
STH FOOD, INC.  
Attn: Harry Singh  
2600 Sherwood Lane  
Colleyville, Texas 76034  
(972) 523-2317

EP Golden Star, LLC  
Jesus Ojeda  
340 Vin Rambla Dr  
El Paso, Texas 79912  
(915) 245-3363

**WASHINGTON**

Marysville, Washington  
Friends Pizza and Sports Bar, LLC  
Ranbir Singh  
4607 Oceanrock Avenue  
Bakersfield, California 93313  
(661) 912-8802

Mill Creek, Washington  
Friends Pizza and Bar, LLC  
Ranbir Singh  
4607 Oceanrock Avenue  
Bakersfield, California 93313  
(661) 912-8802

Spokane Restaurant Partners, Inc.  
Rakesh Kaushal  
14004 East Indiana Ave  
Spokane, WA 99216  
(509) 927-4184



## **CURRENT DEVELOPERS**

### Arizona:

Kuljeet Dhillon  
152 Taradale Close NE  
Calgary, Alberta T3J 3E6  
(403) 681-7455

### Northern California:

Gurtej Gill and Navjot Gill  
111 West Q Street  
Rio Linda, California 95673  
(916) 752-9077

### Southern California:

Sanjiv Bhagat & Jyoti Madhura  
9330 Baseline Road, Suite 207  
Rancho Cucamonga, California 91701  
(909) 214-9247

### Louisiana:

Amandeep Dhillon  
D Shiri, LLC  
8762 Preston Trade Blvd.  
Frisco, Texas 75034  
(775) 250-1810

### Michigan:

Robert H and Anita L. McRae  
15133 Hall Road  
Shelby Township, Michigan 46315  
(248) 941-4222

### North Dakota:

BOTL International, Inc.  
Gregg Most  
1050 Halifax Street  
Regina, Saskatchewan, Canada S4P 1T7  
(306) 536-8857

### North-Central Texas:

STH Food, Inc.  
Harry Singh  
2600 Sherwood Lane  
Colleyville, Texas 76034  
(972) 523-2317

### West Texas

EP Golden Star, LLC  
Jesus Ojeda  
7100 Westwind Drive, Suite 240  
El Paso, Texas 79912  
(915) 584-5991

**Franchisees with Unopened Outlets as of December 31, 2020:**

Yuma, Arizona  
Lawrence Rychjohn  
P. R. Normandale Hotels, LLC  
1901 East 18<sup>th</sup> Street.  
Yuma, Arizona 85365  
(306) 241-5079

Denver, Colorado  
Amandeep Dhillon  
Denver Gateway, LLC  
8762 Preston Trace Blvd.  
Frisco, Texas 75034  
(775) 250-1810

Pooler, Georgia  
Jigar Patel  
129 Magnolia Drive  
Pooler, GA 31322  
(912) 247-5522

Shreveport, Louisiana  
Amandeep Dhillon  
D Shiri, LLC  
8762 Preston Trace Blvd.  
Frisco, Texas 75034  
(775) 250-1810

**Former Franchisees and Area Developers:**

The name and last known address of every franchisee who had a Boston's The Gourmet Pizza Restaurant & Sports Bar® Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2020 to December 31, 2020, or who has not communicated with us within ten weeks of the Issuance Date of this Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**Former Franchisees:**

Marana, Arizona  
Piyush Patel  
BOSTMAR, LLC  
222 S. Freeway Road  
Tucson, Arizona 85122

Morris Pusey  
Cheers Investment Group  
694 West Antelope Drive  
Layton, Utah 84041  
(801) 779-9088



Derrek Kinzel  
Kinzel Hospitality Group, LLC  
1425 Cottontail Drive  
Waunakee, WI 53597  
(608) 852-7801

FORMER DEVELOPERS:

State of Utah  
Frank and Sarah Klassen  
2 Fairmont Park Lane S.  
Lethbridge, AB T1K 7H6

**EXHIBIT E**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**STATE ADMINISTRATORS & AGENTS FOR SERVICE OF PROCESS**



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

**CALIFORNIA**

State Administrator and Agent for Service of Process:

Commissioner  
Department of Financial  
Protection and Innovation  
320 W. 4<sup>th</sup> Street, #750  
Los Angeles, CA 90013  
(213) 576-7500  
(866) 275-2677

**HAWAII**

Commissioner of Securities of  
the State of Hawaii  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

Agent for Service of Process:

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

**ILLINOIS**

Illinois Attorney General  
Chief, Franchise Division  
500 S. Second Street  
Springfield, IL 62706  
(217) 782-4465

**INDIANA**

Secretary of State  
Securities Division  
Room E-018  
302 W. Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

**MARYLAND**

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

Agent for Service of Process:

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

**MICHIGAN**

Michigan Department of Attorney General  
Consumer Protection Division  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

**MINNESOTA**

Department of Commerce  
Commissioner of Commerce  
85 Seventh Place East, Suite 280  
St. Paul, MN 55101-3165  
(651) 539-1600

**NEW YORK**

Administrator:

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8285

Agent for Service of Process:

Secretary of State  
99 Washington Avenue  
Albany, NY 12231

**NORTH DAKOTA**

North Dakota Securities Department  
State Capitol, Fifth Floor, Dept. 414  
600 E. Boulevard Avenue  
Bismarck, ND 58505-0510  
(701) 328-4712

**RHODE ISLAND**

Department of Business Regulation  
1511 Pontiac Avenue, Bldg. 68-2  
Cranston, RI 02920  
(401) 462-9527

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 South Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

**VIRGINIA**

State Corporation Commission  
Division of Securities and  
Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**WASHINGTON**

State Administrator:

Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, WA 98507  
(360) 902-8760

Agent for Service for Process:

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

**WISCONSIN**

Department of Financial Institutions  
Division of Securities  
201 W. Washington Avenue  
Madison, WI 53703  
(608) 266-3364



**EXHIBIT F**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**OPERATIONS MANUAL TABLE OF CONTENTS**





## OPERATIONS MANUAL TABLE OF CONTENTS

	<u>Approximate # of pages</u>
<b><u>Administration Manual</u></b>	<b>46</b>
Introduction to Boston's Governing Guidelines Franchise Advisory Council Standard Procedures Management Guidelines Emergency Guidelines Safety and Security Guidelines Home Delivery Guidelines Front of the House Heart of the House Food Safety Responsible Vending	
<b><u>Financials</u></b>	<b>28</b>
Financial Administration Record Keeping Bookkeeping Records Required Chart of Accounts Balance Sheet General Insurance	
<b><u>Marketing</u></b>	<b>24</b>
Marketing Introduction Marketing Overview National vs Local Marketing New Store Opening Advertising Social Media Policy Email Policy Discount Strategy/Policy Menu Care Instructions	
<b><u>Computer Operating Manual</u></b>	<b>60</b>
POSi Quick Reference Guide NorthStar Desktop Discounts/Comps Employee Entry Labor Labor Analysis POSi Menu Database & Maintenance POSiTouch Recipe and Ingredient Files Vendor Files Invoice Entry Inventory Worksheets Inventory Process Inventory Troubleshooting Kitchen Display Screen (KDS) PCI Compliance Program	

Credit Card Processing Solution

<b><u>Picture Book</u></b>	<b>141</b>
Picture and build procedures for all menu items	
<b><u>Recipe Manual</u></b>	<b>270</b>
Build Line Recipes	
Pasta Line Recipes	
Fry Recipes	
Grill Recipes	
Salad Recipes	
Cut Recipes	
<b><u>Training Manual</u></b>	<b>1083</b>
Front of the House Training	
Heart of the House Training	
<b>Total number of pages</b>	<b>1652</b>

**EXHIBIT G**

**STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS**

## ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP

### **DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA**

1. Item 3 is amended to reflect that:

Neither we nor any person identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. Item 5 is amended to reflect that:

We will deposit the initial franchise fee and all other payments due to us under the first Franchise Agreement described in the Development Agreement, before the Restaurant opens, into an escrow account with a bank that is located in the State of California. We will ask you to sign a statement, for inclusion with a statement to the Department of Financial Protection and Innovation, that we have performed our initial obligations under the applicable Franchise Agreement in order to release the funds from escrow.

3. Item 17 is amended by the addition of the following language:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains covenants not to compete which extend beyond expiration or termination of the Agreement. These provisions may not be enforceable under California law.

The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation prior to a solicitation of a proposed material modification of an existing franchise.

If the Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires the application of the laws and forum of the state of Texas. This provision may be unenforceable under California Law.

You must sign a general release if you renew or transfer your franchise. California Corporations Code Sec. 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Sec. 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement requires litigation in Dallas, Texas. This provision may not be enforceable under California law.

4. Item 19 is amended by the addition of the following language:

The earnings claims figures do not reflect the cost of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

5. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).
6. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

1. Item 5 and Note 1 to Item 7 of the disclosure document are supplemented with the following:

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

2. Item 17 of the disclosure document is supplemented with the following:

a. If the franchise agreement or development requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial decisions interpreting the Act), Illinois law will govern.

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

c. 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.

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

3. Each provision of this addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP**  
**DISCLOSURE DOCUMENT**  
**FOR THE STATE OF MARYLAND**

1. Item 5 is amended to reflect that:

We will deposit all initial fees and payments due to us before the Restaurant opens into an escrow account with a bank that is located in the State of Maryland until we complete our initial obligations to you and your Restaurant opens for business. We currently maintain an escrow account with Wells Fargo Bank, N.A.

2. Item 17.h. is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Items 17.c. and 17.m. are revised to provide that we cannot, as a condition to renewal or consent to assignment, require you to release any claims under the Maryland Franchise Registration and Disclosure Law.

4. Item 17.v. is revised to provide you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

1. Items 5 and 7 are amended to state that the initial franchise fee and all other payments due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you open your first Restaurant for business.
2. The following is added to the Cover Page and Items 17.v. and 17.w. of this Disclosure Document:  
ADDITIONAL RISK FACTOR:

**MINN. STAT. § 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR FRANCHISE AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.**

3. The following is added to Item 13 of this Disclosure Document:

We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the Marks. Minnesota considers it unfair for us not to protect your right to use the Marks. See Minn. Stat. Sec. 12. Subd. 1(g).

4. The following is added to Items 17.b. and 17.g. of this Disclosure Document:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. § Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days for notice for non-renewal of the Franchise Agreement.

5. The following is added to Items 17.c. and 17.m. of this Disclosure Document:

Minn. Rule 2860.4400D prohibits us from requiring you to consent to a general release.



**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF NEW YORK**

1. The following is added to the Cover Page of this Disclosure Document:  
SPECIAL RISK FACTORS:

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

**If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and New York State Department of Law, Bureau of Investor Protection and Securities, 120 Broadway, 23rd Floor, New York, New York 10271.**

2. The following should be added to Item 3 of this Disclosure Document:

Other than as described in the Prospectus, neither Boston's nor any person identified in Item 2 above has any 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.

Neither Boston's nor any person identified in Item 2 above 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.

Neither Boston's nor any person identified in Item 2 above 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 should be added to Item 4 of this Disclosure Document:

Neither Boston's nor any predecessor, officer or general partner of Boston's during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of Boston's held this position in the company or partnership.

4. The following should be added to Item 5 of this Disclosure Document:

Proceeds from the initial franchise fee will be used to cover our expenses associated with such things as:

- (1) Providing you with initial training assistance and technical advice in establishing a Restaurant;
- (2) Protection and enforcement of all trademarks, trade names and commercial symbols associated with our System;
- (3) Continuing consultation and advisory assistance in the operation of the Restaurant;
- (4) Legal and accounting fees and compliance with state and federal laws;
- (5) Administrative expenses;
- (6) Provision of an operations manual; and
- (7) Organizational and development costs of building the franchise system.

5. Item 17, “Renewal, Termination, Transfer and Dispute Resolution”, is supplemented under the categories entitled “Termination by Franchisee” and “Assignment of Contract by Franchisor” respectively, by the following language which will be deemed an integral part thereof:

Any general release required under the Franchise Agreement will be limited by the following, “all rights arising in your favor from the provisions of Article 33 of the GBL. of the State of New York and regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL., Sections 687.4 and 687.5 be satisfied.”

Although the Franchise Agreement does not contain any provision permitting you to terminate the Agreement, you have whatever rights you may have under applicable law to terminate the Franchise Agreement.

No assignment will be made except to an Assignee who, in our opinion, is willing and able to assume our obligations under the Franchise Agreement.

The Franchise Agreement requires the application of Texas Law, however, the choice of law provision should not be considered a waiver of any right conferred on the franchisee by the General Business Law of the State of New York, Art. 33.

6. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

1. Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to assent to a general release. To the extent any such general release is purported to be required by Boston's, it is hereby rendered void with respect to all franchisees governed under the laws of North Dakota.
2. Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to consent to a waiver of exemplary and punitive damages. To the extent any such consent is purported to be required by Boston's, it is hereby rendered void with respect to all franchisees governed under the laws of North Dakota.
3. Item 5 is amended to state that the initial franchise fee due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you are open for business.
4. Item 17.u. of this Disclosure Document is deleted in its entirety, and in its place is added:  
  
Except for certain claims, all disputes will be arbitrated in the State of North Dakota.
5. Item 17 of this Disclosure Document is amended by adding the following:  
  
Post-term covenants not to compete are generally considered unenforceable in the State of North Dakota.
6. Item 17.v. of this Disclosure Document is deleted in its entirety.
7. Item 17.w. of this Disclosure Document is deleted in its entirety, and in its place is added:  
  
North Dakota law applies.

**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF SOUTH DAKOTA**

Item 5 is amended to state that the initial franchise fee and all other payments due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you open for business.



**ADDENDUM TO BOSTON PIZZA RESTAURANTS, LP  
DISCLOSURE DOCUMENT  
FOR THE STATE OF WASHINGTON**

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

2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Item 5 is amended to state that the initial franchise fee and all other payments due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you open for business. The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until we have fulfilled our initial pre-opening obligations under the Franchise Agreement and the Restaurant is open for business. Because we have material pre-opening obligations with respect to each Restaurant you open under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each Restaurant.

9. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Franchise Investment Protection Act, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

**EXHIBIT H**  
**FRANCHISE DISCLOSURE QUESTIONNAIRE**



## FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Boston Pizza Restaurants, LP (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1. Yes\_\_ No\_\_ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes\_\_ No\_\_ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes\_\_ No\_\_ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes\_\_ No\_\_ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes\_\_ No\_\_ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes\_\_ No\_\_ Have you had the opportunity to discuss the benefits and risks of developing and operating a Boston’s The Gourmet Pizza Restaurant & Sports Bar® Franchise with an existing Boston’s The Gourmet Pizza Restaurant & Sports Bar® franchisee?
7. Yes\_\_ No\_\_ Do you understand the risks of developing and operating a Boston’s The Gourmet Pizza Restaurant & Sports Bar® Franchise?
8. Yes\_\_ No\_\_ Do you understand the success or failure of your Boston’s The Gourmet Pizza Restaurant & Sports Bar® Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9. Yes\_\_ No\_\_ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Texas, if not resolved informally or by mediation (subject to state law)?
10. Yes\_\_ No\_\_ Do you understand that you must satisfactorily complete the initial training program before we will allow your Boston’s The Gourmet Pizza Restaurant & Sports Bar® Franchise to open or consent to a transfer of the Boston’s The Gourmet Pizza Restaurant & Sports Bar® Franchise to you?

11. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Boston's The Gourmet Pizza Restaurant & Sports Bar® Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Boston's The Gourmet Pizza Restaurant & Sports Bar® Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes\_\_\_ No\_\_\_ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Boston's The Gourmet Pizza Restaurant & Sports Bar® Franchise?
15. Yes\_\_\_ No\_\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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.

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Date \_\_\_\_\_

Date \_\_\_\_\_



EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 121720

**EXHIBIT I**

**TO FRANCHISE DISCLOSURE DOCUMENT**

**CONTRACTS FOR USE WITH THE BOSTON'S PIZZA FRANCHISE**

The following contracts contained in Exhibit I are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Boston's The Gourmet Pizza Restaurant & Sports Bar® Restaurant. The following are the forms of contracts that Boston Pizza Restaurants, LP uses as of the Issuance Date of this Disclosure Document. If they are marked "Sample," they are subject to change at any time.



**EXHIBIT I-1**

**BOSTON'S THE GOURMET PIZZA RESTAURANT & SPORTS BAR® FRANCHISE**

**SAMPLE GENERAL RELEASE AGREEMENT**

**WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (“Release”) is made as of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Boston Pizza Restaurants, LP, a Delaware limited partnership (“Franchisor,” and together with Releasor, the “Parties”).

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business;

**WHEREAS**, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

**WHEREAS**, as a condition to Franchisor’s consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release.** Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the

offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Texas.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

*(Signatures on following page)*

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

**FRANCHISEE:**

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

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

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

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

**FRANCHISEE'S OWNERS:**

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 012021



## EXHIBIT I-2

### BOSTON'S THE GOURMET PIZZA RESTAURANT & SPORTS BAR® FRANCHISE

#### SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Boston Pizza Restaurants, LP, a Delaware limited partnership, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: is the same as or substantially similar to a Boston’s Restaurant, including any sports bar and grill, or comparable casual dining facility with multiple televisions, which offers, alone or with other food options, pizza and/or pasta dishes.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business or the solicitation or offer of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® franchise, whether now in existence or created in the future.

“*Franchisee*” means the Boston’s The Gourmet Pizza Restaurant & Sports Bar® franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business, including “BOSTON’S THE GOURMET PIZZA RESTAURANT & SPORTS BAR,” and any other trademarks, service marks, or trade names that we designate for use by a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business. The term “Marks” also includes any distinctive trade dress used to identify a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of 5% or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or

attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“*Restricted Period*” means the two-year period after you cease to be a manager or officer of Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “*Restricted Period*” means the one-year period after you cease to be a manager or officer of Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business.

“*Restricted Territory*” means the geographic area within: (i) a ten-mile radius from Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business (and including the premises of the approved location of Franchisee); and (ii) a ten-mile radius from all other Boston’s The Gourmet Pizza Restaurant & Sports Bar® businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “*Restricted Territory*” means the geographic area within a five-mile radius from Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business (and including the premises of the approved location of Franchisee).

“*System*” means our system for the establishment, development, operation, and management of a Boston’s The Gourmet Pizza Restaurant & Sports Bar® business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the Boston’s The Gourmet Pizza Restaurant & Sports Bar® business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Boston’s The Gourmet Pizza Restaurant & Sports Bar® business by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the

Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

**6. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**8. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Boston's The Gourmet Pizza Restaurant & Sports Bar® franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**9. Miscellaneous.**

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Texas, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities,



narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 120619



**EXHIBIT I-3**

**BOSTON'S THE GOURMET PIZZA RESTAURANT & SPORTS BAR® FRANCHISE**

**SAMPLE APPROVAL OF REQUESTED ASSIGNMENT**

This Approval of Requested Assignment (“**Agreement**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Boston Pizza Restaurants, LP (“**Franchisor**”), a Delaware limited partnership, \_\_\_\_\_ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and \_\_\_\_\_, [a/an Formation State] [corporation/limited liability company] (“**New Franchisee**”).

**RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a Boston’s The Gourmet Pizza Restaurant & Sports Bar® franchise located at \_\_\_\_\_ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of

Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Boston's The Gourmet Pizza Restaurant & Sports Bar® franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR:**

BOSTON PIZZA RESTAURANTS, LP

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

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

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

**FORMER FRANCHISEE:**

\_\_\_\_\_

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

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

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

**NEW FRANCHISEE:**

\_\_\_\_\_

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

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

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

Rev. 031821



**EXHIBIT J**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**STATE EFFECTIVE DATES**



## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the 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:

<b>State</b>	<b>Effective Date</b>
California	June 7, 2021
Indiana	May 21, 2021
Michigan	May 22, 2021
North Dakota	May 26, 2021
South Dakota	May 3, 2021

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

**EXHIBIT K**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**RECEIPTS**



**RECEIPT**  
**(Retain This Copy)**

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 Boston Pizza Restaurants, LP offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Boston Pizza Restaurants, LP must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Boston Pizza Restaurants, LP to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boston Pizza Restaurants, LP 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, DC 20580, and the appropriate state agency identified on Exhibit E.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Ryan Reeves, 14850 Quorum Drive, Suite 201, Dallas, TX 75254, 972-484-9022

Issuance Date: April 30, 2021

I received a disclosure document issued April 30, 2021 which included the following exhibits:

- Exhibit A Franchise Agreement
- Exhibit B Development Agreement
- Exhibit C Financial Statements
- Exhibit D List of Current and Former Franchisees and Area Developers
- Exhibit E State Administrators & Agents For Service of Process
- Exhibit F Operations Manual Table of Contents
- Exhibit G State Specific Addenda and Agreement Riders
- Exhibit H Franchise Disclosure Questionnaire
- Exhibit I Contracts for Use with the Boston's Pizza Franchise
- Exhibit J State Effective Dates
- Exhibit K Receipts

\_\_\_\_\_  
Date Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name Rev. 012417

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**



**RECEIPT  
(Our Copy)**

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 Boston Pizza Restaurants, LP offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Boston Pizza Restaurants, LP must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Boston Pizza Restaurants, LP to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boston Pizza Restaurants, LP does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit E.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Ryan Reeves, 14850 Quorum Drive, Suite 201, Dallas, TX 75254, 972-484-9022

Issuance Date: April 30, 2021

I received a disclosure document issued April 30, 2021 which included the following exhibits:

- Exhibit A Franchise Agreement
- Exhibit B Development Agreement
- Exhibit C Financial Statements
- Exhibit D List of Current and Former Franchisees and Area Developers
- Exhibit E State Administrators & Agents For Service of Process
- Exhibit F Operations Manual Table of Contents
- Exhibit G State Specific Addenda and Agreement Riders
- Exhibit H Franchise Disclosure Questionnaire
- Exhibit I Contracts for Use with the Boston's Pizza Franchise
- Exhibit J State Effective Dates
- Exhibit K Receipts

\_\_\_\_\_  
Date Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name Rev. 012417

**Please sign this copy of the receipt, date your signature, and return it to Boston Pizza Restaurants, LP, 14850 Quorum Drive, Suite 201, Dallas, TX 75254.**