



# FRANCHISE DISCLOSURE DOCUMENT

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BUFFALO WILD WINGS INTERNATIONAL, INC.

Three Glenlake Pkwy NE

Atlanta, GA 30328

(678) 514-4100

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

You will operate a Buffalo Wild Wings GO® Restaurant featuring chicken wings and other food and beverage products primarily for off-premises consumption.

The total investment necessary to begin operation of a BWW-GO Restaurant franchise ranges from \$564,100 to \$967,300. This includes \$30,000 to \$48,000 that must be paid to the franchisor or an affiliate. If you sign an Area Development Agreement to develop multiple BWW-GO Restaurants (we require a minimum of 5), the total investment necessary to begin operation under the Area Development Agreement is \$75,000. This includes \$75,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Buffalo Wild Wings Franchise Development Department at Three Glenlake Pkwy NE, Atlanta, Georgia 30328 and (678) 514-4100.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contracts 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.

Issuance Date: March 25, 2022

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by litigation only in the then-current city of the franchisor's principal business office, which is currently Atlanta, Georgia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with the franchisor in a state other than in your own state.
2. **Guarantor's Financial Condition.** Our guarantor's financial condition, as reflected in its financial statements (see Item 21), calls into question its financial ability to provide services and support to you.

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

**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 regarding this notice should be directed to:

State of Michigan Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa, Lansing, Michigan 48909  
(517) 335-7567

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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**EXHIBITS**

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

To simplify the language in this franchise disclosure document, “we” or “us” means Buffalo Wild Wings International, Inc., the franchisor. “You” means the person or entity that buys the franchise. If you are a corporation, partnership or other entity, your Principal Owners (defined in Item 15) must sign a Personal Guaranty, which means that all of the provisions of the Franchise Agreement (Exhibit C) also will apply to them.

We are an Ohio corporation incorporated on May 21, 1990, under the name bw-3 Franchise Systems, Inc. We changed our name to Buffalo Wild Wings International, Inc. on March 26, 2001. Our principal business address is Three Glenlake Pkwy NE, Atlanta, Georgia 30328. We do business under the names “Buffalo Wild Wings” and “Buffalo Wild Wings GO.” We have no predecessors. We are a wholly-owned subsidiary of one of our parents, Buffalo Wild Wings, Inc., a Minnesota corporation (our “Parent”). Our Parent’s principal business address is the same as our address. We began offering franchises in the United States for BWW-GO Restaurants (defined below) in December 2020. An affiliate has operated BWW-GO Restaurants since May 2020. We have never operated a BWW-GO Restaurant and, except as noted in this Item, we do not offer, and have never offered, franchises in any other line of business. We have no other business activities except those described here. If we have an agent for service of process in your state, we disclose that agent in Exhibit A. Except as described in this Item 1, we have no affiliates that offer franchises in any line of business or provide products or services to BWW-GO Restaurant franchisees.

**The BWW-GO Restaurant Franchise Opportunity**

We grant franchises for restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption using our standards and specifications and that operate under the System (defined below) and the Buffalo Wild Wings GO® trademark and other Trademarks (defined below). We call these establishments “BWW-GO Restaurants,” and we call the BWW-GO Restaurant that you operate under the Franchise Agreement your “Restaurant.” Your Restaurant will offer the Menu Items (defined below) and operate at a location we accept (the “Authorized Location”) and within a trade area that we designate (the “Designated Area”). The “System” means the BWW-GO Restaurant franchise system, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with distinctive storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures, together with sales promotion programs, all of which we may periodically modify and change. “Trademarks” means the Buffalo Wild Wings GO® trademark and service mark and other trademarks, service marks, trade names and logos, as we may periodically modify and change them, and the trade dress and other commercial symbols used in the Restaurant. “Menu Items” means the chicken wings, chicken tenders and other products and beverages prepared according to our specified recipes and procedures, as we may periodically modify and change them, that we periodically authorize for sale at your Restaurant.

We offer to qualified entities the right to develop multiple BWW-GO Restaurants within a designated territory (“Development Territory”) under the terms of the Area Development Agreement (Exhibit D). The Area Development Agreement will specify the number of BWW-GO Restaurants you will develop over a specified period (the “Development Schedule”). Either you or approved Developer Subsidiaries (defined below) may develop the BWW-GO Restaurants in the Development Territory. “Developer Subsidiary” means a corporation, limited liability company or other business entity of which you own at least 80% of the issued and outstanding ownership interests. You or your Developer Subsidiary will sign our then current form of Franchise Agreement for each BWW-GO Restaurant developed in the Development Territory, which currently is the form of Franchise Agreement in this disclosure document but could in the future differ from that form. However, if you fully comply with the Area Development Agreement, each Franchise Agreement that the Area Development Agreement covers will reflect the franchise fee specified in Item 5.

### The Market and Competition

Your Restaurant will offer food products to the general public and the sales are not seasonal. Your competitors include other restaurants, particularly those offering similar food products, including national or regional franchise systems and other chains. We believe that the market for delivery, carry-out and on-premises dining of chicken wings, chicken tenders and other similar products is well developed.

### Laws, Rules and Regulations

Federal and state laws exist that govern the food service industry (including health, sanitation and safety regulations regarding food storage, preparation and safety). You must comply with these laws and other laws that apply to businesses generally. In addition to laws and regulations that apply to businesses generally, your Restaurant must comply with various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; FDA menu labeling requirements; laws governing the storage, preparation and sale of food products, including meat products, and health, sanitation and safety regulations relating to food service; and other relevant laws (including Consumer Product Safety Improvement Act certifications for giveaways or other items in the Restaurant characterized as “children’s products”). Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in BWW-GO Restaurants, such as the level of trans fats and sodium contained in a food item. Additionally, the Patient Protection and Affordable Health Care Act requires employers of a certain size to provide health insurance to its employees, and the Menu Labeling Provisions of the Act require certain BWW-GO Restaurants and retail food establishments to post caloric information on menus and menu boards and to provide additional written nutrition information to consumers upon request. You should consider these and other laws and regulations when evaluating your purchase of a franchise. It is your sole responsibility to obtain and keep in force all necessary licenses and permits that public authorities require.

## Buffalo Wild Wings Sports Bars

We also grant franchises for, and some of our affiliates operate, sports entertainment-oriented, casual/fast casual sports bars that feature chicken wings, sandwiches and other products, alcoholic and other beverages, and related services and that operate under the Buffalo Wild Wings® trademarks. We call these establishments “Buffalo Wild Wings Sports Bars.” We have never operated a Buffalo Wild Wings Sports Bar, although our related companies have owned and operated Buffalo Wild Wings Sports Bars since 1982. We began offering franchises in the United States for Buffalo Wild Wings Sports Bars in April 1991 under the names “bw-3” and “Buffalo Wild Wings and Weck.” As of January 2, 2022, there were 1,196 Buffalo Wild Wings Sports Bars operating in the United States (534 franchised and 662 company-owned).

One of our affiliates, Inspire International, Inc. (“Inspire International”), was incorporated under the name BWLD Global III, Inc. On October 14, 2021, BWLD Global III, Inc. merged with its affiliates Arby’s International, Inc. and Sonic International, Inc., with Inspire International as the surviving entity. As part of that restructuring, BWLD Global III, Inc. changed its name to Inspire International, Inc. Inspire International, has offered and granted franchises for Buffalo Wild Wings Sports Bars operating outside the United States since its formation in October 2019 and acquired the existing development agreements and franchise agreements for Buffalo Wild Wings Sports Bars outside the United States in December 2019. Global III’s principal address is the same as our address. As of January 2, 2022, 76 Buffalo Wild Wings or B-Dubs restaurants operating outside the United States (64 franchised and 12 company-owned). Inspire International has never operated or offered franchises for BWW-GO Restaurants nor offered franchises in any other line of business.

## Inspire Brands

Another of our parent companies is Inspire Brands, Inc. (“Inspire Brands”), whose principal business address is the same as our address. Inspire Brands is a global, multi-brand restaurant company, launched upon completion of the merger between a parent of the Arby’s brand and a parent of the Buffalo Wild Wings brand in February 2018. Subsidiaries of Inspire Brands listed below are our affiliates who own and administer the network of franchised and company-owned restaurants operating under the Arby’s, Buffalo Wild Wings, Jimmy John’s, Rusty Taco, Sonic, Dunkin’ and Baskin-Robbins brands. Unless otherwise stated, all Inspire Brands’ subsidiaries share our principal business address. Except as described below, none of Inspire Brands’ subsidiaries have ever operated or offered franchises for BWW-GO Restaurants or offered franchises in any other line of business.

The Arby’s brand, founded in 1964, is known for its slow-roasted, freshly-sliced roast beef and other deli-style sandwiches it is the second-largest sandwich restaurant brand in the world. Arby’s Franchisor, LLC (“Arby’s Franchisor”) is the franchisor of Arby’s restaurants in the United States and Canada. Arby’s Franchisor has offered franchises for Arby’s restaurants since December 2015 but its predecessors have been franchising Arby’s restaurants since 1965. Inspire International, directly or through its predecessor Arby’s International, Inc., has offered franchises and master franchises for Arby’s restaurants outside the United States since May 2016. As of January 2, 2022, there were approximately 3,407 Arby’s restaurants operating in the United States (2,291 franchised and 1,116 company-owned), and 160 franchised Arby’s restaurants operating internationally.

Predecessors and former affiliates of Arby's Franchisor have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamon's® stores that served gourmet baked goods. All of the T.J. Cinnamon's locations have closed.

Another Inspire Brands subsidiary, Rusty Taco, Inc. ("RTI"), is the franchisor for Rusty Taco® (formerly R TACO®) restaurants in the U.S. RTI has offered franchises for Rusty Taco restaurants since May 2015 but its predecessors have been franchising Rusty Taco restaurants since 2010. As of January 2, 2022, there were 36 Rusty Taco restaurants (32 franchised and 4 company-owned) in operation.

Sonic Franchising LLC ("Sonic") became an Inspire Brands subsidiary in December 2018. Sonic has offered franchises for Sonic Drive-In restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks, since May 2011. As of January 2, 2022, there were 3,552 Sonic Drive-Ins (3,232 franchised and 320 company-owned) in operation.

Jimmy John's Franchisor SPV, LLC ("Jimmy John's"), the franchisor of Jimmy John's restaurants operating under the JIMMY JOHN'S® trade name and business system, became Inspire Brands subsidiary in October 2019. Jimmy John's restaurants feature high-quality deli sandwiches, served on fresh baked breads, and other permitted food and beverage products. Jimmy John's has offered franchises for Jimmy John's restaurants since July 2017, and its predecessor offered franchises for Jimmy John's restaurants from 1993 until July 2017. As of January 2, 2022, there were 2,657 Jimmy John's restaurants operating in the United States (2,616 franchised and 41 affiliate-owned).

Dunkin' Donuts Franchising LLC ("DD"), franchisor of Dunkin' restaurants, and Baskin-Robbins Franchising LLC ("BR"), franchisor of Baskin-Robbins restaurants, became subsidiaries of Inspire Brands in December 2020. Dunkin'® restaurants offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. DD has offered franchises for Dunkin' restaurants since March 2006 and as of December 25, 2021, there were 9,244 franchised Dunkin' restaurants operating in the United States and an additional 3,713 operating in 39 countries. BR franchises Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. BR has offered franchises for Baskin-Robbins restaurants since March 2006 and as of December 25, 2021, there were 2,276 franchised Baskin-Robbins restaurants in the United States and an additional 5,394 operating internationally in 54 countries and Puerto Rico.

#### Other Affiliated Franchise Programs

Through control with private equity funds managed by Roark Capital Management, LLC, an Atlanta-based private equity firm, we are affiliated with the following franchise programs ("Affiliated Programs"). None of these affiliates operate a BWW-GO Restaurant.

Focus Brands Inc. ("Focus Brands") is the indirect parent company to seven franchisors, including: Auntie Anne's Franchisor SPV LLC ("Auntie Anne's"), Carvel Franchisor SPV LLC ("Carvel"), Cinnabon Franchisor SPV LLC ("Cinnabon"), Jamba Juice Franchisor SPV LLC ("Jamba Juice"), McAlister's Franchisor SPV LLC ("McAlister's"), Moe's Franchisor SPV LLC ("Moe's"), and Schlotzsky's Franchisor SPV LLC ("Schlotzsky's"). All 7 Focus Brands

franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with Focus Brands through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2021, there were approximately 1,126 franchised facilities and 12 affiliate-owned facilities in the United States and approximately 748 franchised facilities operating outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with Focus Brands in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2021, there were 325 domestic retail shoppes (including one shoppe co-branded in a Schlotzsky's restaurant operated by our affiliate), 31 international retail shoppes, and three foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts including cakes and ice cream novelties.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with Focus Brands through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2021, franchisees operated 938 Cinnabon retail outlets in the United States and 810 Cinnabon retail outlets outside the United States and 170 Seattle's Best Coffee units outside the United States. As of December 31, 2021, Cinnabon LLC operated one affiliate-owned Cinnabon retail outlet in the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with Focus Brands through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2021, there were approximately 747 Jamba franchised stores in the United States and 64 franchised Jamba stores outside the United States, and three affiliate-owned Jamba stores in the United States.

McAlister's offers full-size and non-traditional fast casual restaurants offering counter-service, on-premises and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products under the names MCALISTER'S DELI® or MCALISTER'S SELECT®. McAlister's system became an Affiliated Program through

an acquisition in July 2005, and the McAlister's system became affiliated with Focus Brands in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2021, there were 472 domestic franchised McAlister's restaurants and 33 affiliate-owned restaurants.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with Focus Brands through an acquisition. Moe's predecessor Southwest Grill franchises in 2001. As of December 31, 2021, there were 658 franchised Moe's Southwest Grill restaurants operating in the United States, one franchised restaurant operating outside the United States, and one affiliate-owned restaurant operating in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with Focus Brands through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2021, there were 300 franchised Schlotzsky's restaurants and 24 affiliate-owned Schlotzsky's restaurants.

Primrose School Franchising SPE, LLC ("Primrose") is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988 and as of December 31, 2021, had 465 franchised facilities. Primrose has not offered franchises in any other line of business.

Pet Valu Canada Inc. ("Pet Valu") is a franchisor that offers franchises for specialty retail stores operating under the trademark Pet Valu® that sell food and supplies for dogs, cats, birds, fish, reptiles and small animals. Pet Valu's principal place of business is 130 Royal Crest Court, Markham, Ontario L3R 0A1. Pet Valu became an Affiliated Program through an acquisition in August 2009. Pet Valu has been franchising since 1987. As of January 2, 2022, the Pet Valu enterprise operated stores in Canada under 5 different banners: (i) 633 Pet Valu branded stores with 406 franchised stores and 227 company-owned stores; (ii) 16 Paulmac's Pet Foods-branded stores consisting of 14 franchised and 2 company-owned stores; (iii) 80 Bosley's Pet Food Plus-branded stores in British Columbia, Canada consisting of 36 franchised and 44 company-owned stores; (iv) 9 company-owned Tisol-branded stores; and (v) 16 company-owned Total Pet-branded stores. Pet Valu stores have not offered franchises in any other line of business and currently only offers franchises for the operation of Pet Valu stores in Canada. Pet Supermarket, an affiliate of Pet Valu through common ownership and/or control, operated 222 Pet Supermarket company-owned stores at the end of fiscal year 2021.

ME SPE Franchising, LLC ("Massage Envy") is a franchisor of businesses that offers professional therapeutic massage services, facial services and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation

in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2021, there were 1,110 franchised Massage Envy locations operating in the United States. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2021, there were 10 regional developers operating 12 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("CKE"), through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.® and Hardee's ® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's Restaurants offer Green Burrito® Mexican food products through a Dual Concept Restaurant. A small number of Carl's Jr. Restaurants offer Red Burrito® Mexican food products through a Dual Concept Restaurant. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 31, 2022, there were 202 company-operated Hardee's restaurants, including 12 Hardee's/Red Burrito Dual Concept restaurants, and there were 1,550 domestic franchised Hardee's restaurants, including 150 Hardee's/Red Burrito Dual Concept restaurants. Additionally, there were 425 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 31, 2022, there were 48 company-operated Carl's Jr. restaurants, and there were 1,018 domestic franchised Carl's Jr. restaurants, including 270 Carl's Jr./Green Burrito Dual Concept restaurants. In addition, there were 566 franchised Carl's Jr. restaurants operating outside the United States, including one Carl's Jr. Green Burrito Dual Concept restaurant. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings, LLC ("Driven Holdings") is the indirect parent company to 10 franchisors, including Meineke Franchisor SPV LLC ("Meineke"), Maaco Franchisor SPV LLC ("Maaco"), Drive N Style Franchisor SPV LLC ("DNS"), Econo Lube Franchisor SPV LLC ("Econo Lube"), Merlin Franchisor SPV LLC ("Merlin"), CARSTAR Franchisor SPV LLC ("CARSTAR"), 1-800-Radiator Franchisor SPV LLC ("1-800-Radiator"), Take 5 Franchisor SPV LLC ("Take 5"), ABRA Franchisor SPV LLC ("ABRA") and FUSA Franchisor SPV LLC ("FUSA"). In April 2015, Driven Holdings and its franchised brands at the time (Meineke, Maaco, DNS, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, DNS, Econo Lube, Merlin, CARSTAR, Take 5, ABRA and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. All 10 franchisors have not offered franchises in any other line of business.

Meineke franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 25, 2021, there were 698 Meineke centers, 26 Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 25, 2021, there were 411 franchised Maaco centers and no company-owned Maaco centers in the United States.

DNS is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises and Aero Colours® franchises. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services and interior and exterior protection services for consumer vehicles. As of December 25, 2021, there were 31 Drive N Style franchises and no company-owned Drive N Style businesses in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including, among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 25, 2021, there were 8 AutoQual franchises and no company-owned AutoQual businesses in the United States. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair and refinishing that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. As of December 25, 2021, there were 2 Aero Colours franchises and no company-owned Aero Colours businesses in the United States.

Merlin franchises shops which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin 200,000 Mile Shops" and "Merlin Shops" since February 2006. As of December 25, 2021, there were 24 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor



began offering franchises in 1980 under the name “Muffler Crafters” and began offering franchises under the name “Econo Lube N’ Tune” in 1985. As of December 25, 2021, there were 10 Econo Lube N’ Tune franchises and 12 Econo Lube N’ Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N’ Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 25, 2021, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator’s affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 25, 2021, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR’s business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 25, 2021, there were 419 franchised CARSTAR facilities and 10 company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 25, 2021, there were 134 franchised Take 5 outlets operating in the United States. An affiliate of Take 5 currently operates approximately 536 Take 5 outlets and outlets that operate under other brands, including Havoline Xpress, many of which may be converted to the Take 5 brand and operating platform in the future.

ABRA franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. ABRA and its predecessor have offered ABRA franchises since 1987. As of December 25, 2021, there were 63 franchised ABRA repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 25, 2021, there were 181 franchised Fix Auto repair shops operating in the United States, 9 of which are operated by FUSA’s affiliate pursuant to a franchise agreement with FUSA.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) Meineke Canada SPV LP and its predecessors have

offered Meineke center franchises in Canada since August 2004; (2) Maaco Canada SPV LP and its predecessors have offered Maaco center franchises in Canada since 1983; (3) 1-800-Radiator Canada, Co. has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) Carstar Canada SPV LP and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) Take 5 Canada SPV LP and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) Driven Brands Canada Funding Corporation and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) Go Glass Franchisor SPV LP and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) Star Auto Glass Franchisor SPV LP and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012. These franchisors have not offered franchises in any other line of business.

As of December 25, 2021, there were: (i) 27 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 7 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 323 franchised CARSTAR facilities and 4 company-owned CARSTAR facilities in Canada; (v) 31 franchised Take 5 outlets and 8 company-owned Take 5 outlets in Canada; (vi) 23 franchised UniglassPlus businesses, 30 franchised UniglassPlus/Ziebart businesses, and 5 franchised Uniglass Express businesses in Canada, and 4 company-owned UniglassPlus businesses and 1 company-owned UniglassPlus/Ziebart business in Canada; (vii) 7 franchised VitroPlus businesses, 60 franchised VitroPlus/Ziebart businesses, and 4 franchised Vitro Express businesses in Canada, and 3 company-owned VitroPlus businesses and 1 company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and 2 company-owned Docteur du Pare Brise businesses in Canada; (ix) 12 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

ServiceMaster Systems LLC is the direct parent company to five franchisors operating in the United States: AmeriSpec SPE LLC (“AmeriSpec”), Furniture Medic SPE LLC (“Furniture Medic”), Merry Maids SPE LLC (“Merry Maids”), ServiceMaster Clean/Restore SPE LLC (“ServiceMaster”) and Two Men and a Truck SPE LLC (“Two Men and a Truck”). AmeriSpec, Furniture Medic, Merry Maids, and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021. The five franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

AmeriSpec franchises home and commercial inspection businesses under the AmeriSpec® mark. AmeriSpec’s predecessor began offering franchises in 1988. As of December 31, 2021, AmeriSpec had 182 franchises in the United States.

Furniture Medic franchises furniture restoration, repair, and refinishing businesses under the Furniture Medic® mark. Furniture Medic's predecessor began offering franchises in August 1992. As of December 31, 2021, Furniture Medic had 195 franchises in the United States.

Merry Maids franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2021, Merry Maids had 996 franchises in the United States.

Two Men and a Truck franchises businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark. Two Men and a Truck's predecessor began offering franchises in February 1989. As of December 31, 2021, Two Men and a Truck had 284 franchises and three company-owned locations operating in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2021, ServiceMaster had operating in the United States 713 ServiceMaster Clean franchises and 2,294 ServiceMaster Restore franchises operating in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, ServiceMaster of Canada Limited offers franchises in Canada, ServiceMaster Limited offers franchises in Great Britain and Two Men and a Truck offers franchises in Canada, Ireland and the United States.

NBC Franchisor LLC ("NBC") franchises gourmet bakeries which offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. As of December 31, 2021, there were 409 Nothing Bundt Cake franchises and 16 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Center Licensing, LLC ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium began offering franchises in late 2003. Mathnasium became an Affiliated Program through an acquisition in November 2021. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2021, there were 948 Mathnasium franchises in the United States and its parent company operated three Mathnasium centers in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Center Licensing, LLC also offer franchises for operation outside the United States. Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2021, there were 87 franchised Mathnasium

centers in Canada. Mathnasium International Franchising, LLC has offered franchises outside the United States and Canada since May 2015. As of December 31, 2021, there were 65 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing, LLC, Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC have a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

i9 Sports, LLC (“i9”) franchises businesses that operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 became an Affiliated Program through an acquisition in September 2021. i9 has a principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2021, there were 192 i9 Sports franchises and one company-owned location. i9 has never offered franchises in any other line of business.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so. Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **Chief Executive Officer: Paul Brown**

Mr. Brown has been our Chief Executive Officer since February 2018. He also has been Inspire Brands’ Chief Executive Officer in Atlanta, Georgia since its formation in February 2018. In addition, he has been the Chief Executive Officer of Arby’s Restaurant Group, Inc. (“ARG”), an Inspire Brands brand, in Atlanta, Georgia since May 2013.

#### **President and Director: Lyle Tick**

Mr. Tick has been our President since September 2018 and one of our Directors since April 2019. He previously was Managing Director of Walgreens Boots Alliance- Boots Retail USA in New York, New York from January 2016 to August 2018.

#### **Chief Operating Officer: John Bowie**

Mr. Bowie has been our Chief Operating Officer since February 2018. He also was our Parent’s Interim President in Atlanta, Georgia from March 2018 to September 2018. Before that, Mr. Bowie held several positions with ARG, an Inspire Brands brand, in Atlanta, Georgia, including Chief Operating Officer from March 2015 to February 2018.

Chief Growth Officer: Christian Charnaux

Mr. Charnaux has been our Chief Growth Officer since April 2018. He also has been Inspire Brands' Chief Growth Officer in Atlanta, Georgia since April 2018. He previously was Senior Vice President, Corporate Finance of Hilton Worldwide Holdings, Inc. in McClean, Virginia from July 2009 to March 2018.

Chief Development Officer: Don Crocker

Mr. Crocker has been our Chief Development Officer since March 2019. He also has been Inspire Brands' Chief Development Officer in Atlanta, Georgia since March 2019. He previously was Inspire Brands' Senior Vice President, Real Estate in Atlanta, Georgia from August 2018 to March 2019. Before that, he was the Senior Director Restaurant Development and Supply Chain for Chick-fil-A, Inc. in Atlanta, Georgia from December 1997 to July 2018.

Chief Supply Officer of Parent: Christopher Held

Mr. Held has been Parent's and Inspire Brand's Chief Supply Officer in Atlanta, Georgia since June 2019. He previously was an independent consultant in Atlanta, Georgia from June 2018 to May 2019. Before that, he was Senior Vice President, KFC Supply Chain, Restaurant Supply Chain Solutions (A Yum! Brands Co-Op) in Louisville, Kentucky from July 2015 to June 2018.

Chief Marketing Officer of Parent: Rita Patel

Ms. Patel has been our Parent's Chief Marketing Officer since September 2020. She previously held several positions at Target Corporation in Minneapolis, Minnesota, including Vice President, Brand Management from January 2019 to August 2020, Vice President, Brand Category Marketing from October 2017 to December 2018, and Vice President, Marketing from January 2015 to December 2015. She also served as Vice President of Beam Suntory in Chicago, Illinois from January 2016 to October 2017.

Chief Financial Officer and Director: Katherine Jaspon

Ms. Jaspon has our Chief Financial Officer and Director since July 2021. She also has been Inspire Brand's Chief Financial Officer in Atlanta, Georgia since July 2021 and the Chief Financial Officer of DD and BR in Canton, Massachusetts and Atlanta, Georgia since April 2017.

Chief Information Officer: Raghu Sagi

Mr. Sagi has been our Chief Information Officer since April 2019. He has also been Inspire Brands' Chief Information Officer in Atlanta, Georgia since April 2019. He previously held several positions at Sephora in San Francisco, California, including Chief Information Officer from February 2017 to April 2019 and Chief Engineering Officer from February 2017 to April 2019.

Chief Administrative Officer, General Counsel, Secretary and Director: Nils Okeson

Mr. Okeson has been our Chief Administrative Officer, General Counsel and Secretary, and one of our Directors, since February 2018. He also has been Inspire Brands' Chief Administrative Officer, General Counsel and Secretary in Atlanta, Georgia since its formation in February 2018. In addition, he has been the Chief Administrative Officer, General Counsel and Secretary of ARG, an Inspire Brands brand, in Atlanta, Georgia since January 2013.

Senior Vice President, Construction, Design and Architecture of Parent: James Cannon

Mr. Cannon has been the Senior Vice President, Construction, Design, and Architecture of our Parent and Inspire Brands in Atlanta, Georgia since February 2018. He also has been Inspire Brands' Senior Vice President, Construction and Design in Atlanta, Georgia since its formation in February 2018. In addition, he has been the Senior Vice President, Construction and Design Training of ARG, an Inspire Brands brand, in Atlanta, Georgia since December 2015.

Business CFO and Services Transformation Officer: Danton Nolan

Mr. Nolan has been our Business CFO and Services Transformation Officer since its formation in February 2018. He has also been our Parent's and Inspire Brands' Business CFO and Services Transformation Officer in Atlanta, Georgia since its formation in February 2018. He previously was the Senior Vice President, Finance of ARG, an Inspire Brands brand, in Atlanta, Georgia from July 2012 to February 2018.

Vice President, Restaurant Portfolio Management: William Duffy

Mr. Duffy has been our Vice President, Restaurant Portfolio Management since September 2018. He also has been Inspire Brands' Vice President, Restaurant Portfolio Management in Atlanta, Georgia since its formation in February 2018. In addition, he has been the Vice President, Restaurant Portfolio Management of ARG, an Inspire Brands brand, in Atlanta, Georgia since July 2015.

Vice President, Training of Parent: Rachel Richal

Ms. Richal has been our Parent's Vice President, Training since February 2022. She previously held several positions with our Parent in Atlanta, Georgia, including Senior Director, Learning and Team Member Activation from December 2021 to February 2022 and Director, Learning and Team Member Activation from June 2019 to December 2021. She was previously the Director, Training for TooJay's Deli, Bakery, and Restaurant in West Palm Beach, FL from October 2013 to May 2019.

Vice President, Franchise Development of Parent: Joe Sieve

Mr. Sieve has been our Parent's Vice President, Franchising since February 2018. He also has been Inspire Brands' Vice President, Franchising in Atlanta, Georgia since its formation in February 2018. In addition, he has been Vice President Franchising of Arby's Franchisor in Atlanta, Georgia since June 2016.

Vice President, Franchise Counsel: Lisa Storey

Ms. Storey has served as our Vice President, Franchise Counsel since March 2020. She also has been Inspire Brands' Vice President, Franchise Counsel, in Atlanta, Georgia, since March 2020. She previously was our and Inspire Brands' Vice President, Franchise, HR & Litigation Counsel from February 2018 to February 2020. Before that, she held various positions at ARG, an Inspire Brands brand, in Atlanta, Georgia, including Vice President, Franchise, HR & Litigation Counsel from March 2016 to February 2018.

Division Vice President of Parent: Anthony Rothrauff

Mr. Rothrauff has been our Parent's Division Vice-President since July 2021. He has also been our Parent's Regional Vice President of Operations in North Huntingdon, Pennsylvania from July 2019 to July 2021. He previous was ARG's Director of Operations in Atlanta, Georgia from October 2016 to July 2019.

**ITEM 3**  
**LITIGATION**

Pending Litigation

The following actions are pending against us, a predecessor, a parent or affiliate that guarantee's our performance, an affiliate who offers franchises under the Trademarks, or a person identified in Item 2:

Michelle Wheeldon, Lauran Hopper, and Tamara Wilson v. Buffalo Wild Wings, Inc., (United States District Court for the District of Arizona, Case No. 2:21-cv-01947-DLR, filed November 16, 2021). On November 16, 2021, a consumer, Michelle Wheeldon ("Wheeldon"), filed a class action complaint against Buffalo Wild Wings, Inc. alleging it engaged in deceptive and untruthful promises to provide a flat, low-price delivery fee on food deliveries ordered through its app and website. Wheeldon seeks, on behalf of herself and the putative class, monetary damages, restitution, injunctive, and declaratory relief for alleged violations of the Arizona Consumer Fraud Act, Breach of Contract, and Unjust Enrichment. On February 9, 2022, Wheeldon filed a First Amended Class Action Complaint adding two additional Plaintiffs, Lauran Hopper and Tamara Wilson. Buffalo Wild Wings, Inc. denies all liability in this matter and intends to defend itself vigorously.

Affiliate Litigation

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate ARG entered into a settlement agreement with the states of Massachusetts, California, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but

decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. E25636618, filed on March 19, 2019.) On March 14, 2019, our affiliate Dunkin Brands, Inc. entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of “no-poaching” provisions in Dunkin’ restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin’ system prohibit Dunkin’ franchisees from hiring the employees of other Dunkin’ franchisees and/or DD’s employees. A larger number of franchise agreements in the Dunkin’ system contain a no-poaching provision that prevents Dunkin’ franchisees and DD from hiring each other’s employees. Under the terms of the settlement, DD agreed not to enforce either version of the no-poaching provision or assist Dunkin’s franchisees in enforcing that provision. In addition, DD agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin’ franchisee. The effect of the amendment would be to remove the no-poaching provision. DD expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law and, furthermore, that the settlement agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DD. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record and the action was closed after the court approved the parties’ stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (“NYAG”) filed a lawsuit against our affiliate, Dunkin Brands, Inc., related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals’ credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin’ gift card. The NYAG further alleged that DD failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG’s allegations, DD and the NYAG entered into a consent agreement to resolve the State’s complaint. Under consent order, DD agreed to pay \$650,000 in penalties and costs, to issue certain notices and other types of communications to New York customers, and to maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

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

#### **ITEM 4** **BANKRUPTCY**

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



## **ITEM 5**

### **INITIAL FEES**

#### **Franchise Agreement**

You must pay us an initial franchise fee when you sign the Franchise Agreement. If you are signing a Franchise Agreement that is not covered by an Area Development Agreement, then you must pay us a \$30,000 initial franchise fee when you sign that Franchise Agreement. If you are signing a Franchise Agreement that is covered by an Area Development Agreement, then the initial franchise fee payable under that Franchise Agreement is \$30,000, but we will apply \$15,000 of the development fee towards the payment of that initial franchise fee, and you must pay the remaining \$15,000 of that initial franchise fee upon signing that Franchise Agreement. We will use the initial franchise fees in part to cover some of our costs associated with your opening a BWW-GO Restaurant, including opening assistance, legal fees and general overhead. The initial franchise fees are uniform and not refundable under any circumstance.

Your Control Person (defined in Item 15) and Unit General Manager (defined in Item 15) must attend and complete our initial training program to our satisfaction before you open the Restaurant for business. If the Restaurant is the first or second BWW-GO Restaurant that you or your affiliates operate, we will provide the initial training program to your Control Person and Unit General Manager without any training fee, but you must pay our then current training fee (currently \$1,500) for each additional person who attends our initial training program. If the Restaurant is the third or subsequent BWW-GO Restaurant that you or your affiliates operate, then you (or your affiliate) must provide the initial training program to your Control Person and Unit General Manager at your (or its) National Certified Training Restaurant, or "NCTR," according to our standards and requirements. If the Restaurant is the third or subsequent BWW-GO Restaurant that you or your affiliates operate and you or your affiliate does not then have an NCTR, or if we otherwise provide the initial training program for any Restaurant personnel, then you must pay our then current training fee (currently \$1,500) for each person. We describe this training program and NCTR requirements in more detail in Item 11.

You also must spend \$15,000 on certain advertising and public relations activities when opening your Restaurant. We may (at our option) collect and administer these funds on your behalf. This amount is uniform. We currently have a program that we describe in Item 11 to reimburse you for some or all of these costs.

#### **Area Development Agreement**

If you are signing an Area Development Agreement, you must develop at least 5 BWW-GO Restaurants in the Development Territory. You must pay us a development fee when you sign the Area Development Agreement. The development fee is \$15,000 multiplied by the number of BWW-GO Restaurants you agree to develop on the Development Schedule. The development fee is consideration for our signing the Area Development Agreement and not consideration for any Franchise Agreement, is based on a uniform calculation and is not refundable under any circumstances. However, we will credit \$15,000 of the development fee towards the \$30,000 initial franchise fee payable under Franchise Agreements that you and your Developer Subsidiaries sign for BWW-GO Restaurants in the Development Territory. When you or your Developer

Subsidiary signs each Franchise Agreement, we will apply \$15,000 of the development fee and you or your Developer Subsidiary must pay us the remaining \$15,000 of the initial franchise fee. We may permit you to develop fewer than 5 BWW-GO Restaurants in certain markets that we periodically designate.

### Incentive Programs

We currently offer an incentive program to franchisees signing new Franchise Agreements signed pursuant to an Area Development Agreement and new Area Development Agreements. We describe the conditions for these incentive programs below. This program also reduces the Royalty Fees payable under the applicable Franchise Agreement, and we describe those Royalty Fee reductions in Item 6. The incentive program does not apply to franchisees signing new Franchise Agreements to renew their expiring franchises or as part of a transfer or acquisition of an existing BWW-GO Restaurants. In the future, we may modify or eliminate any of our incentive programs.

(1) *Standard Adopter Incentive.* If you sign an Area Development Agreement on or before March 31, 2023 for the right to develop at least five BWW-GO Restaurants, then you are eligible for our “Standard Adopter Incentive” program. Under the Standard Adopter Incentive program, you will pay the full development fee upon signing the Area Development Agreement. Then, when you or your Developer Subsidiary signs each Franchise Agreement, we will apply \$15,000 of the development fee towards the initial franchise fee, and you or your Developer Subsidiary must pay us the remaining \$15,000 of the initial franchise fee. If you open the Restaurant in compliance with the Franchise Agreement, and if applicable the Development Agreement, submit development costs to us within 120 days of opening the Restaurant, and build the Restaurant in the design, to the specifications, and at the location approved by us, we will credit the initial franchise fee you paid, along with the portion of the development fee that we credited towards that initial franchise fee towards the Royalties owed under that Franchise Agreement, and, as described in Item 6, you also will pay reduced Royalties based on when your Restaurant opens. If you fail to satisfy the above conditions, then the Standard Adopter Incentive, including the royalty credit and reduced royalty fees described below, will not apply to the Restaurant.

## **ITEM 6 OTHER FEES**

<b>Type of Fee<sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	6% of Gross Sales <sup>(2)</sup> , subject to the applicable incentive program	Paid by electronic funds transfer every Friday for the preceding Reporting Period	See Note (3). The “Reporting Period” means the period from Monday to Sunday, although we may periodically change the Reporting Period.
Brand Fund contribution <sup>(4)</sup>	Currently 2.25% of Gross Sales, subject to Marketing Spending Requirement (See Note (4))	Paid by electronic funds transfer every Friday for the preceding Reporting Period	See Note (4).

<b>Type of Fee<sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Technology Fee	Currently not charged	If implemented, paid by electronic funds transfer every Friday for the preceding Reporting Period	We may impose and periodically modify a technology fee based on technology-related products and services we provide, up to 0.5% of the Restaurant's Gross Sales.
Audit costs	Cost of audit	Immediately upon receipt of bill	You pay the cost of the initial audit as well as any subsequent audits deemed necessary for 3 years if the audit shows an understatement of your Gross Sales, Royalty Fees or Brand Fund contributions in any month by an individual or combined total of 1.25% or more.
Training Program Fee <sup>(5)</sup>	Currently \$1,500 per trainee, but could increase if our costs increase	As incurred	Payable only if we provide training to your Unit General Manager or other Restaurant personnel during the term.
Learning management system fee	Currently \$60.99 plus tax per Restaurant per year, but may change depending on number of BWW-GO Restaurants participating	Annually	You must participate in the Cornerstone Learning Management System to access certain training materials, knowledge checks and certification exams. We forward the payment to Cornerstone, our vendor for the system.
Additional Training	Currently up to \$1,500 but could increase if our costs increase	As incurred	See Note (5).
Transfer fee <sup>(6)</sup>	\$12,500 for control transfer (but see Note (6)) and \$1,000 for non-control transfer	Upon application for consent to transfer	See Note (6).
Required Local Marketing Spend	You must spend the amount we periodically specify on Local Marketing, subject to the Marketing Spending Requirement (see Note (4))	As incurred	We may, at our option, require you to deposit the Required Local Marketing Spend with us in advance, on a schedule we periodically determine.

<b>Type of Fee<sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Cooperative contribution	If established, you must contribute the amount we periodically specify to the Cooperative, subject to the Marketing Spending Requirement	Monthly	See Note (7).
Renewal fee	50% of then current initial franchise fee we are charging new franchisees	Upon signing renewal franchise agreement	
Interest and late fee	18% per annum or the maximum rate allowed by law, whichever is less, plus \$150 for each delinquent report or payment	Automatically upon next electronic funds transfer	
Supplier evaluation costs	Actual costs of the inspection and evaluation	As incurred	Due if you request our approval of a new product, service or supplier.
Commercial insurance costs	\$30,000-\$120,000 for annual premiums, plus our costs and fees	When premiums are due	Only payable to us if you fail to maintain insurance and we (at our option) elect to obtain coverage for you.
Indemnification	Will vary with the circumstances	On demand	You must reimburse us for claims and liabilities relating to your business or breach of the Franchise Agreement or Area Development Agreement.
Relocation costs	Our reasonable costs relating to your relocation	As incurred	Due only if you relocate the Restaurant.
Attorneys' fees	Will vary with the circumstances	As incurred	You must reimburse us for our reasonable attorneys' fees and costs if we prevail in a dispute.
Deidentification costs	Will vary with the circumstances	As incurred	If you fail to deidentify the Restaurant when the Franchise Agreement terminates or expires, and we choose to do so, you must reimburse our costs.
Menu database support	Currently \$420 to \$600 annually per Restaurant, but could increase if our costs increase	Immediately upon receipt of bill	You must use our affiliate to provide menu database support and various point of sale (POS)-related services for the Restaurant.

Notes:

- (1) Unless otherwise specified, either we or our affiliates impose and collect all the fees in this table. You pay them to our affiliates or us. The fees are not refundable, except as for the transfer fee deposit as described in note (6). Except when otherwise specified, all fees are uniform. You must sign an electronic transfer of funds authorization that we periodically specify to authorize and direct your bank or financial institution to transfer electronically, on a weekly basis, directly to our or our affiliate's account and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds.
- (2) "Gross Sales" includes the total revenues and receipts from the sale of all products, services and merchandise sold in or in relation to your Restaurant, including fees or charges for any delivery, catering and other off-site activities and events, gaming activities, license and use fees, and implied or imputed Gross Sales from any business interruption insurance. However, Gross Sales excludes (1) sales taxes, use taxes, and similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; (2) any bona fide voids, refunds and credits that are actually provided to customers; and (3) the face value of coupons or discounts that customers redeem.
- (3) Under the *Standard Adopter Incentive*:
  1. For each Restaurant that is opened pursuant to an Area Development Agreement and where the Opening Date is on or before December 31, 2022, and the Restaurant opens in compliance with the Development Schedule, then the Royalty Fee will be 0% of Gross Sales accrued during the first year that the Restaurant operates; 2% of Gross Sales accrued during the second year that the Restaurant operates; 4% of Gross Sales accrued during the third year that the Restaurant operates; and 6% of the Restaurant's Gross Sales accrued during the remainder of the initial term of the Franchise Agreement.
  2. For each Restaurant that is opened pursuant to an Area Development Agreement and where the Opening Date is on or between January 1, 2023 through December 31, 2023, and the Restaurant opens in compliance with the Development Schedule, then the Royalty Fee will be 1% of Gross Sales accrued during the first year that the Restaurant operates; 2% of Gross Sales accrued during the second year that the Restaurant operates; 4% of Gross Sales accrued during the third year that the Restaurant operates; and 6% of the Restaurant's Gross Sales accrued during the remainder of the initial term of the Franchise Agreement.
  3. For each Restaurant that is opened pursuant to an Area Development Agreement and where the Opening Date is on or between January 1, 2024 through December 31, 2024, and the Restaurant opens in compliance with the Development Schedule, then the Royalty Fee will be 1% of Gross Sales accrued during the first year that the Restaurant operates; 3% of Gross Sales accrued during the second year that the Restaurant operates; 5% of Gross Sales accrued during the third year that the

Restaurant operates; and 6% of the Restaurant's Gross Sales accrued during the remainder of the initial term of the Franchise Agreement.

4. For each Restaurant that is opened pursuant to an Area Development Agreement and where the Opening Date is on or between January 1, 2025 through December 31, 2025, and the Restaurant opens in compliance with the Development Schedule, then the Royalty Fee will be 2% of Gross Sales accrued during the first year that the Restaurant operates; 3% of Gross Sales accrued during the second year that the Restaurant operates; 5% of Gross Sales accrued during the third year that the Restaurant operates; and 6% of the Restaurant's Gross Sales accrued during the remainder of the initial term of the Franchise Agreement.
5. In addition, if you qualify for the Standard Adopter Incentive program, you may also take advantage of the "Additional Early Opening Benefit." Under the Additional Early Opening Benefit, if you open your Restaurant at least 3 months before the required opening date under the Development Schedule, then your Royalty will be 0% of Gross Sales for the first 6 months that the Restaurant is open for business. If the Additional Early Opening Benefit applies, then the Royalty Fees described above for the Standard Adopter Incentive program will apply beginning 6 months after the Restaurant's actual opening date.

In addition to any other applicable requirements, the reduced royalty rates under the Standard Adopter Incentive apply only if: (a) you build the Restaurant in the design, to the specifications, and at the location approved by us; and (b) you provide us with a report, in the format and containing the information that we reasonably specify, identifying the amounts that you spend in various categories relating to the development and opening of the Restaurant within 120 days after the Restaurant first opens for business.

- (4) You must pay us a contribution to the Brand Fund in an amount that we periodically specify, subject to the Marketing Spending Requirement. The "Marketing Spending Requirement" is the maximum amount that we can require you to spend on Brand Fund contributions, Cooperative contributions (described below), and approved Local Marketing for the Restaurant during each calendar quarter. The maximum Marketing Spending Requirement is 6% of the Restaurant's Gross Sales during that calendar quarter. However, we currently only require you to contribute 2.25% of Gross Sales to the Brand Fund and spend 2% of Gross Sales on Local Marketing, and we currently do not require any Cooperative contributions, so the current Marketing Spending Requirement is only 4.25% of Gross Sales. We may periodically increase the Marketing Spending Requirement (up to a total of 6% of Gross Sales) upon notice to you. Although we may not require you to spend more than the Marketing Spending Requirement on Brand Fund contributions, Cooperative contributions and approved Local Marketing for the Restaurant during any calendar quarter, you may choose to do so and the Cooperative may vote to increase contributions as described below. We may periodically review your books and records and require you to submit reports to determine your Cooperative contributions and Local Marketing expenses. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any quarter, then in addition to our other rights, we may require you to pay

us the shortfall as an additional Brand Fund contribution or to pay us the shortfall for us to spend on Local Marketing for the Restaurant.

- (5) We describe our training programs in Item 11. We may require you to purchase access to training videos or other instructional materials from us. We may in our sole judgment specify additional training requirements, including supplemental or refresher training programs for you, your managers and/or employees. You must pay our training fees and your and your personnel's associated costs and expenses.
- (6) The transfer fee under the Franchise Agreement for a control transfer is the greater of \$12,500 or the costs and expenses we incur in reviewing and processing the transfer. For a control transfer, you must submit to us a \$5,000 deposit on the transfer fee when you submit an application for our consent to transfer. We may increase the deposit above \$5,000 and up to \$12,500 if we believe our costs and expenses will exceed \$5,000. We will refund the \$5,000 (or any increased deposit amount) less our costs and expenses if the transfer is not completed. If the transfer proceeds, you must pay us the balance of the transfer fee before the transfer's closing. However, if the control transfer is part of a simultaneous, multiple BWW-GO Restaurant transfer, then the transfer fee is the greater of (a) \$12,500 for the first BWW-GO Restaurant and \$2,500 for each additional BWW-GO Restaurant, or (b) the costs and expenses we incur in reviewing and processing the transfer. The transfer fee under the Franchise Agreement for a non-control transfer is \$1,000. If you sign the Area Development Agreement, the transfer fee is \$2,500 for a control transfer and \$1,000 for a non-control transfer, in addition to any transfer fees payable under the Franchise Agreements that the Area Development Agreement covers.
- (7) We have the right to designate local advertising markets and if designated, you must participate in and contribute to the cooperative or local marketing group responsible for coordinating advertising, marketing and promotional programs in your designated local advertising market (the "Cooperative"). If established, you must contribute the amount we periodically specify to the Cooperative, subject to the Marketing Spending Requirement. If, however, the Cooperative votes to require contributions that would (together with the Brand Fund contributions and required Local Marketing expenditures) exceed the Marketing Spending Requirement, you must contribute that amount. Each BWW-GO Restaurant, including those that we, our parent company or our affiliates operate (except at Non-Traditional Locations (defined in Item 12)), within a designated local advertising area is a member of the Cooperative and each restaurant has one vote on all matters requiring a vote. We may (at our option) administer the Cooperatives' funds and require payment from its members via electronic funds transfer to spend on behalf of the Cooperative and its members. You or the Cooperative must pay our then current charges for any accounting, bookkeeping, administrative and other services we or our affiliate provides, although currently we do not charge any fees for these services. There currently are no Cooperatives, so we currently do not have controlling voting power in any Cooperative.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial franchise fee (1)	\$30,000	Lump sum or installments	Upon signing Area Development Agreement or Franchise Agreement	Us
Site approval fees (2)	\$1,200 to \$53,800	As incurred	As incurred	Third parties
<b>Total Site Approval and Franchise Fees</b>	<b>\$31,200 to \$83,800</b>			
Architecture fees (for national firm)	\$15,000 to \$35,000	As incurred	As incurred	Architect
Construction and leasehold improvements (3)	\$225,000 to \$350,000	As arranged	As arranged	Approved contractors
Furniture, fixtures, equipment and other fixed assets (4)	\$140,000 to \$180,000	As arranged	As arranged	Approved suppliers
Computer System, POS system and kitchen display unit	\$20,000 to \$45,000	As incurred	As incurred	Approved suppliers
Office equipment and supplies	\$3,000 to \$6,000	As incurred	As incurred	Suppliers
Signage and graphics (excluding pylon or monument signage)	\$15,000 to \$25,000	As incurred	As incurred	Approved suppliers
<b>Total Building/Construction/ Equipment</b>	<b>\$418,000 to \$641,000</b>			
Training expenses (5)	\$4,000 to \$10,000	As incurred	As incurred	Us and service providers
Initial inventory (6)	\$18,000 to \$22,000	Lump sum	Upon delivery of inventory	Approved suppliers
Insurance (7)	\$14,400 to \$48,000	As arranged	As arranged	Insurance company
Rent (8)	\$3,500 to \$7,500	As arranged	Installments each month	Lessor
Lease and utility security deposits (9)	\$10,000 to \$20,000	Lump sum	Before signing lease or starting service	Lessor and utility companies



<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Grand opening advertising (10)	\$15,000	As incurred	As incurred	Media, printers, advisors and other suppliers
Professional fees	\$20,000 to \$70,000	As arranged	As arranged	Your attorneys, financial advisors, accountants and other professionals
Additional funds – 3 months (11)	\$30,000 to \$50,000	As incurred	As incurred during first 3 months	Employees, suppliers and other third parties
<b>Total Pre-Opening / Operating Deposits</b>	<b>\$114,900 to \$242,500</b>			
<b>Total Estimated Initial Investment (12)</b>	<b>\$564,100 to \$967,300</b>			

Notes:

- (1) Initial Franchise Fee. We describe the initial franchise fee in Item 5. The initial franchise fee is \$30,000 if the Franchise Agreement is not covered by an Area Development Agreement. If it is, we will apply \$15,000 of the development fee towards the initial franchise fee, and you must pay the remaining \$15,000 when you sign the Franchise Agreement.
- (2) Site approval fees. You must submit site and market information to us in the form and format that we specify. The costs associated with the site approval process typically vary depending on the region and the amount of work and coordination needed to secure the appropriate permits and licenses, including business licenses and construction permits.
- (3) Construction and leasehold improvements. These figures include the costs of construction, remodeling, leasehold improvements and decorating. These costs 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. Your costs may vary depending on a variety of factors, including economic factors affecting the construction industry. These ranges do not include an estimate for the cost of building the Restaurant's structure, or the cost of purchasing land, site work and demolition work for free-standing locations, because we do not expect franchisees to develop new free-standing locations for their BWW-GO Restaurants. If you choose to build and own the Restaurant's free-standing premises, the cost for your long-term real property investment is significantly higher and will depend on many independent variables like location and size of the site, site improvement costs, union/non-union labor regions, soil and environmental conditions, entitlement fees, building and health codes and regulations and other factors. Down payment requirements and initial financing or commitment expenses for owned real property are negotiated individually and vary too widely to be predicted realistically.

- (4) Furniture, fixtures, equipment and other fixed assets. The Restaurant must meet our current standards and specifications, including equipment, furniture, audio/visual equipment, signs, décor, trade dress, design and layout. These figures include costs for pylon and monument signage, refrigerators, freezers, ovens, tables, chairs and other equipment, furniture and fixtures. Estimated costs for the Computer System and POS system are separately noted in the table and are not included in this range.
- (5) Training expenses. You must pay the expenses for you, your Control Person and Unit General Manager to attend our training program, including transportation, lodging, meals and wages. We describe our training program in Item 11. These costs will depend, in part, on the distance you must travel and the type of accommodations you choose. This range also includes the fees you might pay us for providing the initial training program to your personnel, as described in Item 5.
- (6) Initial inventory. These figures cover the costs for the initial inventory of various food products, beverages, paper products, cleaning supplies and other supplies used in the operation of the Restaurant, as well as other merchandise or products that the Restaurant sells. Initial inventory expenditures will vary according to anticipated sales volume and current market prices.
- (7) Insurance. You must obtain and maintain the insurance coverage that we periodically specify. The estimate covers approximately 25% of the annual premium. The cost of insurance will vary based on policy limits, type of policies, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.
- (8) Rent. If you do not own suitable space or land for your Restaurant, you must rent premises suitable for the Restaurant. You typically will rent the premises for a non-free-standing location. The typical size of the premises for a BWW-GO Restaurant will range from 1,100 to 1,600 square feet. This estimate is for your rent the first month and does not include an estimate of monthly real estate-related expenses, such as common area maintenance charges, 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.
- (9) Lease and utility security deposits. Landlords may require a security deposit and utility companies may require that you place a deposit before installing telephone, gas, electricity and related utility services. A typical lease deposit is one month's rent. A typical utility security deposit is one month's expense. These deposits may be refundable if you comply with the lease and utility agreements.
- (10) Grand opening advertising. You must conduct certain advertising and public relations activities when opening your Restaurant. You must spend \$15,000 on these opening activities during the period starting 45 days before your Restaurant opens and ending 60 days after your Restaurant opens. Upon our request, you must provide to us proof of these expenditures. We may (at our option) collect and administer these funds on your behalf.

We currently have a program which we describe in Item 11 to reimburse you for some or all of these costs.

- (11) Additional Funds. These figures estimate the additional prepaid expenses and other additional costs and expenses that you will incur in developing and operating the Restaurant, including Restaurant management salaries, during the initial 3 months of operation (other than the items identified separately in the table). These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. You might need additional working capital during the first 3 months you operate your Restaurant and for a longer period after that. When your Restaurant opens you must have a minimum of \$30,000 in immediately accessible working capital funds to use solely to defray the costs of operating the Restaurant for the initial months.
- (12) Total estimated initial investment. We have used our affiliate's experience in developing a BWW-GO Restaurant and our affiliates' many years of experience in franchising other quick service restaurants to prepare the estimate for additional funds and other estimates in this table. You should review these figures carefully with a business advisor, your accountant and/or your attorney before deciding to acquire the franchise. The estimate does not include any finance charge, interest, or debt service obligation. You should allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing and local market conditions, which can be highly variable. Except for the grand opening advertising expenses, and the lease security deposit and utility deposits which typically are refundable if you comply with the lease's and utility agreement's terms, none of the payments is likely to be refundable, although this may depend on your negotiations with others. Neither we nor our affiliates offer financing for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral and the lending policies of financial institutions from which you request a loan.

**ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPMENT AGREEMENT.** If you sign an Area Development Agreement, your initial investment for your first BWW-GO Restaurant is the same as disclosed in the Item 7 table. You also may pay a one-time Development Fee as described in Item 5, which we expect to equal \$75,000 (for an Area Development Agreement for 5 BWW-GO Restaurants). The Development Fee will increase by \$15,000 for each additional Restaurant you agree to develop under the Area Development Agreement. This is the only additional initial investment required under the Area Development Agreement. There is no additional initial investment for training, real property, equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, decorating costs, inventory, security deposits, utility deposits, business licenses or other prepaid expenses required under the Area Development Agreement. Your initial investment for your second and subsequent BWW-GO Restaurants likely will be higher than the estimates listed in the table for your first Restaurant due to inflation and other economic factors that may vary over time.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

In order to ensure a uniform image and uniform quality of products and services throughout the BWW-GO Restaurant network, you must maintain and comply with our quality standards and

specifications, as we periodically modify them. Our standards may regulate, among other things, the equipment and other products and services you use to operate the Restaurant, designated or approved suppliers of these items, and required or authorized Menu Items and services your Restaurant offers. We issue and modify standards and specifications based on our, our affiliates' and our franchisees' experience in operating and franchising BWW-GO Restaurants and similar restaurants. We will notify you in our manuals, on our extranet, or in other written communications of our standards and specifications and the names of some of our designated and approved suppliers. We also provide our relevant standards and specifications to approved suppliers. We and our affiliates may retain these payments and consideration and use them without restriction for any purposes that we or they deem appropriate.

Our affiliate has contracted with a technology provider to provide franchisees a technology-based learning management system, and franchisees must participate in the arrangement with that provider. Our affiliate may also provide POS system services and accounting services to franchisees and Cooperatives. In addition, our affiliate provides optional contactless texting and payment services to franchisees. Otherwise, neither we nor our affiliates are approved suppliers or the only approved suppliers for any category of goods and services for BWW-GO Restaurants. For the fiscal year ended January 2, 2022, our affiliates received approximately \$75.00 in revenue from providing these services. Except for this amount, neither we nor our affiliates received any revenue during our 2021 fiscal year from selling products or services to BWW-GO franchisees. We or our affiliates may periodically make available to you or require you to purchase goods, products and/or services for you in your Restaurant on the sale of which and our affiliates may make a profit. You will pay the then current price in effect for all purchases you make from us or an affiliate.

Although you are not required to purchase or lease real estate from us or our affiliates, you may only operate the Restaurant from an Authorized Location that we accept. We also have the right, but not the obligation, to review and to approve or disapprove any lease for the Restaurant's premises. You and the landlord must sign the form of Lease Addendum attached to the Franchise Agreement.

You must construct and equip your Restaurant according to our approved designs, specifications and standards. You must provide us for our approval purposed building plans for your Restaurant in the form that we reasonably specify. You may not start constructing the Restaurant until you have received our written approval of your building plans. Our review is limited to evaluating your compliance with our design requirements and the Franchise Agreement's other requirements. You also must retain the services of an architect that we approve and a general contractor that we approve, and have prepared and submitted for our approval a site survey and basic architectural plans and specifications (not for construction) consistent with our general atmosphere, image, color scheme and ambience requirements as we periodically specify in the manuals for a BWW-GO Restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, Computer System (defined below) and other equipment, fixtures, furniture, signs and decorating). You must make all changes to our approved building plans and any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Restaurant according to our specifications. You may not start any replacement, reconstruction, addition or modification until you have received our written consent to your revised plans. You also must purchase or lease and

then, in the construction of the Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture and signs. You must ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws.

The outdoor signage at your Restaurant must comply with our then current specifications, which we may periodically change due to modifications to the System, including changes to the Trademarks. You must make the changes to the outdoor signage as we require within 90 days after the date of our notice. You also must purchase and use any computer system that we develop or select for the Restaurant, including all future updates, supplements and modifications that we periodically specify (the "Computer System"). The Computer System includes all computing equipment, accessories, hardware, software and other information technology used in the operation of the Restaurant, including point-of-sale (POS) terminals and back office programs used to record, analyze and report sales, inventory, tax and other operational information.

You must only use the inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other products and services relating to the design, construction and operation of the Restaurant that we periodically specify and that meet our standards and specifications, as we periodically amend them. Although we do not do so for all of these products and services, we have the right to require you to purchase these products and services only from the manufacturer, distributor and/or supplier that we periodically designate or approve. We may implement and periodically modify our approved supplier criteria. Some of these products and services may only be available from one source, and we or our affiliates may be that source. Currently, you must acquire certain construction-related services, equipment (including the POS system and related services and online ordering solution), Restaurant signage, smallwares, sports programming, food and beverage products, uniforms and other branded merchandise, and gift and stored value cards, checks and similar items and services, only from our designated suppliers and/or distributors. For some items and services, you must sign contracts with third party suppliers in the form that we or they specify, including the Affiliated Seller Agreement attached to the Franchise Agreement that you must sign with our gift card processor. Checkmate.com, Inc. is a vendor we recommend for ordering platform and point-of-sale integration services and related technologies for franchised BWW-GO Restaurants. Inspire Brands owns an interest in this vendor, and some of our officers own interests in Inspire Brands. Otherwise there is no approved or recommended supplier in which any of our officers owns an interest.

You must notify us in writing if you want to offer for sale at the Restaurant any brand of product, or to use in the operation of the Restaurant any brand of food ingredient or other material, item or supply, that we have not then approved, or to purchase any product from a supplier that we have not designated as an approved supplier. At our request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material or supply or the proposed supplier meets our specifications and quality standards. We evaluate proposed suppliers based on their ability to provide services or to make products that conform to our specifications and quality standards, their willingness and ability to maintain the confidentiality of our information, their production and delivery capability, their financial condition and insurance coverage, and their ability to provide the product and/or service on a national basis. We typically will notify you of supplier approval or disapproval within 60 to 90 days after we receive all the information and samples we request. You must pay all costs of the

inspection and evaluation and the actual cost of the test. We also may require the supplier to sign a supplier agreement. We may re-inspect the facilities and re-evaluate products of any supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice to the supplier if we revoke our approval of an approved supplier or item.

You must engage in catering and delivery from your Restaurant according to the standards and specifications that we periodically specify. At our option, you must use only the vendors and programs that we periodically specify or approve. You may not establish another outlet or property (other than the Authorized Location) for use in providing catering or delivery service and may not provide catering or delivery service to customers at Non-Traditional Locations without our prior written consent. You must maintain (or ensure that a third party service provider maintains) the condition and appearance of, and performs maintenance for, vehicles, serveware and equipment used in providing catering and delivery services according to our standards and specifications.

You must purchase and maintain in full force and effect, at your expense and from a company with a minimum A.M. Best Rating of A-VII that we accept, the insurance that we periodically specify. Your insurance policy or policies must meet our standards and specifications (including minimum coverage amounts), and, at a minimum, currently must include the following coverages: (i) property insurance on the Restaurant, its improvements and all fixtures, equipment, supplies and other property used in the operation of the Restaurant; (ii) business interruption insurance that covers your loss of income and our Royalty Fees; (iii) comprehensive general liability insurance (including umbrella liability); (iv) automobile liability insurance on all owned, hired, rented and non-owned vehicles; and (v) workers' compensation and employer's liability insurance covering all of your employees. Although not currently required, we strongly recommend that you consider the following insurance coverage typically found in restaurant operations: back-up of sewer & drain; cyber liability; earthquake; employee benefit liability; employee dishonesty; employment practices liability; flood; food-borne illness-trade name restoration; food contamination-loss of income; food contamination-trade name restoration; interior & exterior glass & signs; machinery & equipment breakdown; money & securities; terrorism-property, auto and liability; and utility interruption-loss of income, and that you include mental injuries & loss of services in the umbrella's definition of "Bodily Injury." In addition, the required liability insurance must name us and our affiliates as additional insureds, provide severability of interests and/or separation of insureds coverage, and be primary and non-contributory with any insurance that we and our affiliates maintain. We may periodically modify the required minimum limits and require additional insurance coverages as conditions require to reflect changes in relevant circumstances, industry standards, experiences in the BWW-GO Restaurant network, standards of liability and higher damage awards. You must send us (or our designee) at commencement and thereafter annually or at our request a proper certificate evidencing your compliance with our insurance requirements. If you do not obtain and maintain the required insurance coverage, we have the right, but not the obligation, to obtain insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. Although we require certain insurance coverage and have recommended other coverages, we do not represent or guarantee that the required or recommended insurance is adequate to fully protect your assets. You should consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, you may need for you and your Restaurant.

Except as described in this Item 8, you currently are not required to purchase or lease any goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate or comparable items related to establishing or operating the franchised business from us, our affiliates, or our approved suppliers. We and our affiliates reserve the right to receive payments or other consideration from distributors, suppliers and manufacturers arising from your purchase of goods, products and services as described in this Item 8, and from any future purchase of any goods, products or services.

During our 2021 fiscal year, we and our affiliates received a total of \$1,000 from suppliers of certain proteins, sauces and mixes based on franchisees’ purchases from those suppliers. Further, as part of our national philanthropic initiative in which all BWW-GO Restaurants must participate, we currently receive a \$1.00 rebate based upon those sports bars’ purchases of featured Menu Items (including sauce and seasoning bottles), and we then donate those funds to the Buffalo Wild Wings Foundation. In addition, we and our affiliates may receive payments from some suppliers that are contributed to the Brand Fund. These payments may be percentage payments based on sales to franchisees, lump sums, reimbursements, or other similar types of payment. During our 2021 fiscal year, we did not deposit any supplier contributions into the Brand Fund.

There currently are no purchasing or distribution cooperatives in the BWW-GO Restaurant network. We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees but not on behalf of individual franchisees. We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers. Collectively, the purchases and leases that you must make from us or our affiliates, from designated or approved suppliers, or under our standards and specifications represent almost 100% of your purchases and leases to establish, and almost 100% of your purchases and leases to operate, the Restaurant.

You must obtain our acceptance of each site for a BWW-GO Restaurant. Otherwise, the Area Development Agreement does not require you to buy or lease from us or designated or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items to establish or operate the business under the Area Development Agreement. However, you must follow our requirements under the Franchise Agreement for each BWW-GO Restaurant you develop.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

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

	<b>Obligation</b>	<b>Section in Agreement*</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	2.A and 5.A of FA; 4.B of ADA	7 and 11

	<b>Obligation</b>	<b>Section in Agreement*</b>	<b>Disclosure Document Item</b>
b.	Pre-opening purchases/leases	5.A, 5.F, and 6.B-6.D of FA	5, 7, 8 and 11
c.	Site development and other pre-opening requirements	5.A-5.C of FA; 2 and 4 of ADA	7, 8 and 11
d.	Initial and ongoing training	7 of FA; 6.D of ADA	5, 6 and 11
e.	Opening	5.A-5.C and 8.G of FA; 4 of ADA	5 and 11
f.	Fees	4.B, 6.C, 6.G, 7.B, 7.C, 8.A, 8.C, 8.D, 8.E, 8.G, 9, 10.B, 10.C, 11.E, 12.D and 14.A of FA; 3, 4.B, 7.B, 7.C, 8.C and 11.A of ADA	5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	5, 6, 7, 8.B and 9.G of FA; 4 and 6.A of ADA	6, 7, 8, 11 and 16
h.	Trademarks and proprietary information	3, 6.J, 6.P, 14.B and 14.C of FA; 2.F and 6.B of ADA	13 and 14
i.	Restrictions on products/services offered	6.A-6.C, 6.E and 6.K of FA	8, 11, and 16
j.	Warranty and customer services requirements	6.I and 6.K of FA	6 and 11
k.	Territorial development and sales quotas	2.A of FA; 4 of ADA	11 and 12
l.	Ongoing product/service purchases	6 of FA	6 and 8
m.	Maintenance, appearance and remodeling requirements	5.D-5.F and 6.I of FA	8 and 11
n.	Insurance	10.C of FA	6, 7 and 8
o.	Advertising	8 of FA	6, 7 and 11
p.	Indemnification	10.B of FA and 11.A of ADA	6
q.	Owner's participation/management/staffing	1.A, 1.F, 7.A and 7.E of FA	11 and 15
r.	Records/reports	9.G and 9.H of FA	N/A
s.	Inspections/audits	6.G and 9.H of FA	6 and 11
t.	Transfer	11 of FA; 7 of ADA	6 and 17
u.	Renewal	4.B of FA	6 and 17
v.	Post-termination obligations	14 of FA; 10 of ADA	17
w.	Non-competition covenants	10.D of FA	17
x.	Dispute resolution	12 of FA; 8 of ADA	17

\* "FA" means the Franchise Agreement and "ADA" means the Area Development Agreement.

## **ITEM 10** **FINANCING**

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



**ITEM 11**  
**FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND**  
**TRAINING**

**Except as listed below, Buffalo Wild Wings International, Inc. is not required to provide you with any assistance.**

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

1. Accept a site for your Restaurant that meets our requirements. We describe our site selection assistance below. (Franchise Agreement, Section 5.A and Area Development Agreement, Section 4.B)
2. Provide design requirements and approve your building plans for your Restaurant if they meet our requirements. (Franchise Agreement, Section 5.B)
3. Provide you with a copy of the manuals (as we periodically modify them) that detail the specifications and procedures relating to the operation of the Restaurant (Franchise Agreement, Section 6.I). The manuals currently contain 106 pages. The following table identifies the subjects contained in the manuals and number of pages devoted to the subject.

<b>Manual Section</b>	<b>Pages</b>
Ops Systems, Tools and Processes	18
Safety & Sanitation	20
Food & Beverage Processes	68
<b>TOTAL:</b>	<b>106</b>

4. Provide guidance and assistance on the construction, decoration, development and opening of your Restaurant. We describe this assistance and your obligations later in this Item. (Franchise Agreement, Sections 5.A and 5.B and Area Development Agreement, Section 4.B)
5. Provide the initial training programs described later in this Item. (Franchise Agreement, Section 7 and Area Development Agreement Section 6.D)
6. Provide specifications and names of approved suppliers for equipment, signs, fixtures, opening inventory, supplies and related materials. We do not provide items directly but will provide the names of approved suppliers for some items and written specifications for some items. We do not deliver or install these items. (Franchise Agreement, Section 6)

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

1. Maintain the Brand Fund described later in this Item. (Franchise Agreement, Section 8.A)

2. Approve all advertising and promotional materials that meet our requirements. (Franchise Agreement, Section 8)
3. Provide updates to the approved suppliers and approved supplies. (Franchise Agreement, Section 6.C)
4. Make periodic visits to your Restaurant as we reasonably determine to be necessary to provide evaluations and to ascertain if you are complying with the Franchise Agreement. (Franchise Agreement, Section 6.G)
5. Provide refresher training courses as we determine necessary, as described later in this Item. Training may include the use of multi-media such as e-learning, videos, or simulations. You must acquire an electronic device such as a laptop or tablet to access these materials and complete courses as required. (Franchise Agreement, Section 7.C and Area Development Agreement Section 6.D)

### Our Obligations Under the Area Development Agreement

If you sign an Area Development Agreement, you will sign the initial Franchise Agreement in the Development Schedule when you sign the Area Development Agreement. We will determine whether to accept or reject proposed sites based on our then current standards for site selection. If you comply with the Area Development Agreement and our then current development policies, and we have accepted your proposed site for a new BWW-GO Restaurant, then we will issue a Franchise Agreement for that Restaurant at that site. You (or a Developer Subsidiary) and we must sign our then current form of Franchise Agreement for the proposed Restaurant. We may periodically modify the then current form of Franchise Agreement and it may be different from the current form of Franchise Agreement, including different fees and obligations. (Area Development Agreement, Section 4.B)

### Site Selection and Lease

You must comply with our development policies, as we periodically modify them, for each proposed site for a BWW-GO Restaurant. If you sign the Area Development Agreement, then you may look for sites within the Development Territory. Our development policies include sending us a complete site report (containing such demographic, commercial, market and other information and photographs as we may periodically specify) for each proposed site, and information on your (or your Developer Subsidiary's) financial and operational ability to develop and operate the proposed Restaurant, along with sending us information necessary to complete each Franchise Agreement, all on the schedule we periodically specify.

If you will develop a Restaurant under a Franchise Agreement without signing an Area Development Agreement, you must already have identified the premises from which you will develop and operate the Restaurant. If you sign the Area Development Agreement, then you must receive our written acceptance of your proposed site for each Restaurant to be developed under the Area Development Agreement before we will issue a Franchise Agreement for each such Restaurant. We will not unreasonably withhold acceptance of a proposed site. In reviewing any proposed site, we will consider the matters we deem material, including demographic characteristics of the proposed site, traffic patterns, competition, the proximity to other businesses,

the nature of other businesses near the site, and other commercial characteristics (including the purchase or lease obligations for the proposed site) and the size of premises, appearance and other physical characteristics. Generally, within 45 to 60 days after you submit all required information we will notify you in writing whether or not we have any objections to the site you proposed. You may not develop a Restaurant at any site unless we have communicated our acceptance of the site in writing. Our acceptance of the site simply means that the site meets our then current site selection standards or guidelines.

We generally do not own sites and lease them to franchisees, lease sites and sublease them to franchisees, or select sites for franchisees. If you do not open the Restaurant on or before the deadline in the Franchise Agreement or Development Schedule, we may terminate your Franchise Agreement or Area Development Agreement.

If you plan to sign any type of lease for the Restaurant's premises, you and your landlord must sign the Lease Addendum attached to the Franchise Agreement. You may not change the Lease Addendum form without our approval. You must provide us a copy of the executed lease and Lease Addendum, and any amendments to the lease signed after its effective date, within 5 days after signing. You must sign, and provide us an executed copy of, your lease (including an executed copy of the Lease Addendum) or the purchase agreement for the site within 30 days after the Franchise Agreement's effective date. If you fail to sign the lease or the purchase agreement by these deadlines, we may terminate the Franchise Agreement. (Franchise Agreement, Sections 2.A and 5.A and Area Development Agreement, Section 4.B)

### Construction and Opening Your Restaurant

The typical length of time between the signing of the Franchise Agreement, which is the first payment of any consideration for the franchise, and the opening of your Restaurant is approximately 8 to 15 months. Factors that may impact this length of time may include your ability to prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Restaurant, meet local requirements, obtain inventory, and similar factors.

You must construct and equip the Restaurant according to our specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, trade dress and design and layout of the Authorized Location. You must provide us for our approval proposed building plans for your Restaurant in the form that we reasonably specify. You may not start construction of the Restaurant until you have received our written approval of your building plans. Our review is limited to evaluating your compliance with our design requirements and the Franchise Agreement's other requirements.

Promptly after obtaining a fully-executed lease for the Restaurant, you must: (i) retain the services of an architect and general contractor that we approve; (ii) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our requirements; (iii) purchase or lease and then, in constructing the Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture and signs; (iv) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Restaurant in compliance with plans and specifications we approve and all

applicable ordinances, building codes and permit requirements without any unauthorized alterations; (v) obtain all required zoning changes and all customary contractors' sworn statements and partial and final waivers; and (vi) obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including the Americans With Disabilities Act.

You must begin substantial construction (site work, utility infrastructure and building erection) of the Restaurant at least 100 days before the required opening date listed in an Appendix to the Franchise Agreement (the "Required Open Date") if the Restaurant is in a new free standing location or at least 75 days before the Required Open Date if the Restaurant is in a non-free standing location or a conversion of an existing free-standing building. We may require you to provide us weekly development and construction progress reports in the form we designate from the date you begin construction until the date you open the Restaurant. In addition, on or before the deadlines to start construction you must submit to us, if requested, executed copies of any loan documents and any other document that proves that you have secured adequate financing to complete the construction of the Restaurant by the Required Open Date. If you fail to begin construction or to secure financing by these deadlines, we may terminate the Franchise Agreement.

You must open and begin operating the Restaurant by the Required Open Date. You may not open the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and specifications and in compliance with all applicable laws and regulations; (2) the Restaurant's personnel have completed all pre-opening training to our satisfaction; (3) you have given us evidence of required insurance coverage and payment of premiums and a copy of the fully-signed lease; and (4) if we (at our sole option) require, we have conducted a pre-opening inspection and/or have certified the Restaurant for opening. Our determination that you have met our pre-opening requirements is not a waiver of your non-compliance or of our right to demand full compliance with the Franchise Agreement. If you fail to begin operations by the Required Open Date, we may terminate the Franchise Agreement.

If you sign the Area Development Agreement, you must open and begin operating each of the BWW-GO Restaurants according to the Development Schedule in the Area Development Agreement. If you fail to comply with the Development Schedule, we may terminate the Area Development Agreement. The intervals for opening individual Restaurants depend upon the negotiated Development Schedule and are generally about 12 months per Restaurant, but we may accelerate these timelines to reflect the incentive programs that we currently offer. The timelines in the Development Schedule supersede Franchise Agreement timelines and may be shorter than the timelines described in the Franchise Agreement. (Franchise Agreement, Sections 5.A, 5.B and 5.C and Area Development Agreement, Sections 4.A and 4.B)

### Advertising and Marketing

#### **New Restaurant Opening Promotion**

You must conduct certain advertising, marketing and public relations activities relating to the opening of your Restaurant. You must spend at least \$15,000 for these opening activities during the time between 45 days before and 60 days after the Restaurant opens. You also must perform these opening advertising and promotions every time that you relocate the Restaurant or

reopen the Restaurant after having it closed for 30 days or more. Upon our request, you must provide to us proof of these expenditures. We have the right, but not the obligation, to collect and administer these funds on your behalf. (Franchise Agreement, Section 8.G)

### **Brand Fund**

We administer and control a marketing and brand fund (the “Brand Fund”) for the advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials for all or a group of BWW-GO Restaurants that we periodically deem appropriate. You must pay us, via electronic funds transfer or another payment method we specify and together with each payment of the Royalty Fee, a contribution to the Brand Fund in an amount that we periodically specify, subject to the Marketing Spending Requirement. We and our affiliates will contribute to the Brand Fund on behalf of the BWW-GO Restaurants that we or they own (except for BWW-GO Restaurants at Non-Traditional Locations) at the same rate as similarly situated franchised BWW-GO Restaurants in the same local marketing area. Other BWW-GO Restaurants may contribute to the Brand Fund at different rates based on factors that we deem relevant in our sole judgment.

We will designate and direct all programs that the Brand Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Fund may pay for preparing, producing and placing video, audio and written materials, electronic media and Social Media (defined below); developing, maintaining and administering technologies that promote or support BWW-GO Restaurants or their operations, including one or more websites, mobile applications, e-commerce and other online sales programs, customer incentive and retention programs, and other technologies used to reach customers or potential customers or to facilitate sales or delivery to customers; any marketing or other research and development, including product and food research, development and training materials related to accurately promoting or producing food and other products, menus and menu designs, sponsorships, marketing meetings and sales incentives; administering national, regional, multi-regional and local marketing, advertising, promotional and customer relationship management programs, including purchasing trade journal, Internet and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public and customer relations, market research, and other advertising, promotion, marketing and brand-related activities. The Brand Fund may place advertising or other programs in any media, including print, radio, television and electronic, on a local, regional or national basis. Our in-house staff, national or regional advertising agencies, and/or other contractors may produce advertising, marketing, promotional and other Brand Fund programs and materials. The Brand Fund also may reimburse BWW-GO Restaurant operators (including us and our affiliates) for expenditures consistent with the Brand Fund’s purposes that we periodically specify. We also may implement programs that could be financed by the Brand Fund, but choose to have them financed through other means, such as direct payments by you and other participating BWW-GO Restaurant operators.

We will account for the Brand Fund separately from our other funds and not use the Brand Fund to pay any of our general operating expenses, except to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur for activities performed for the Brand Fund and its programs, including conducting market

research, preparing advertising and marketing materials, maintaining and administering the BWW-GO Restaurant website and/or Social Media, developing technologies to be used by the Brand Fund or its programs, collecting and accounting for Brand Fund contributions, and paying taxes on contributions. We currently do not intend to use any Brand Fund contributions principally to solicit new franchise sales, although we may do so in the future, and part of the BWW-GO Restaurant system website is devoted to franchise sales. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets.

We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement upon written request. We may have the Brand Fund audited periodically at the Brand Fund's expense by an independent accountant we select. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

We intend the Brand Fund to maximize recognition of the Trademarks and patronage of BWW-GO Restaurants. Although we will try to use the Brand Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Item 11) that will benefit all or certain contributing BWW-GO Restaurants, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Fund contributions from BWW-GO Restaurants operating in that geographic area, or that any BWW-GO Restaurant benefits directly or in proportion to the Brand Fund contributions that it makes. We have no obligation to make any advertising expenditures in your geographic area or Designated Area. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect Brand Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Brand Fund. Except as expressly provided here, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Brand Fund.

BWW-GO Restaurants currently are marketed to the public as part of the combined network of locations under the Buffalo Wild Wings® brand, together with Buffalo Wild Wings Sports Bars, and certain advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that are designed to benefit either the BWW-GO Restaurant network or the Buffalo Wild Wings Sports Bar network can also serve to benefit the other network and promote the Buffalo Wild Wings® brand and the Trademarks (the "Combined Brand Programs"). We currently maintain a separate advertising, marketing and promotion fund to which Buffalo Wild Wings Sports Bar owners (including us and our affiliates) contribute (the "Sports Bar Fund"). The Sports Bar Fund may pay for some Combined Brand Programs that could (with or without modification) be used by or to benefit BWW-GO Restaurants, and the Brand Fund may pay for some Combined Brand Programs that could (with or without modification) be used by or to benefit Buffalo Wild Wings Sports Bars. We may allocate costs for Combined Brand Programs between the Sports Bar Fund and Brand Fund, or between some or all Buffalo Wild Wings Sports Bar operators and some or all BWW-GO Restaurant operators, on any reasonable basis that we determine in good faith and may periodically

change the allocation methods. Our allocation of these costs and expenditures is final. We also may, at our option, merge or otherwise combine (and, once combined, separate) the Sports Bar Fund and the Brand Fund and their operations as we deem appropriate.

During our 2021 fiscal year, the Brand Fund paid 100% of contributions to the Sports Bar Fund to fund Combined Brand Programs and initiatives that benefitted both the contributing BWW-GO Restaurants and Buffalo Wild Wings Sports Bars. During our 2021 fiscal year, the Sports Bar Fund spent (on all of its programs, not just the Combined Brand Programs) 59% of its expenditures on media placement, 25% on printing and production costs, 5% on agency fees, 4% on general and administrative expenses, and 7% for technology initiatives, including its website, customer personalized offers and rewards programs.

We may at any time defer or reduce a BWW-GO Restaurant operator's contributions to the Brand Fund and, upon at least 30 days' written notice to you, reduce or suspend Brand Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will (at our option) either spend the remaining Brand Fund assets according to this Item 11 or distribute the unspent assets to BWW-GO Restaurant operators (including us and our affiliates, if applicable) then contributing to the Brand Fund in proportion to their contributions during the preceding 12-month period. There currently are no advertising councils of franchisees that advise us on advertising policies in the BWW-GO Restaurant network. (Franchise Agreement, Section 8.A)

### **Local Marketing**

You must at your expense participate in the manner we periodically specify in all advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs that we periodically designate for the Restaurant. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that you or your agents or representatives develop or implement relating to the Restaurant (collectively, "Local Marketing") is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us for our approval descriptions and samples of all proposed Local Marketing that we have not prepared or previously approved within the previous 6 months. If you do not receive written notice of approval from us within 5 business days after we receive the materials, they are deemed disapproved. You may not conduct or use any Local Marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement Local Marketing. We assume no liability to you or any other party due to our specifying any programs or materials or our approval or disapproval of any Local Marketing.

You must issue, use and honor in the manner we periodically specify only the gift and stored value cards, checks and similar items that we periodically designate and otherwise participate in other promotions, including any customer loyalty programs and promotions and procedures for resolving customer complaints, that we periodically specify. We have developed a gift card program and require that you sign the Affiliated Seller Agreement attached as Appendix E to the Franchise Agreement. When the Franchise Agreement terminates or expires, or you

transfer your rights under the Franchise Agreement, you must pay all amounts you owe under the Affiliated Seller Agreement and other similar programs.

You must spend the amount we periodically specify on approved Local Marketing for the Restaurant, subject to the Marketing Spending Requirement (the “Required Local Marketing Spend”). Upon our request, you must provide us with itemization and proof of marketing and an accounting of the amounts that you have spent for approved Local Marketing. We may require you periodically to prepare and submit to us for our approval a proposed Local Marketing plan that contemplates spending at least the Required Local Marketing Spend, and if we do you must implement the plan in the form that we approved it. We also may, at our option, require you to deposit the Required Local Marketing Spend with us in advance, on a schedule we periodically determine, and if we do you must follow our requirements to evidence your payment of approved Local Marketing expenditures and obtain reimbursement of those expenditures from the amounts you deposited with us. (Franchise Agreement, Sections 8.B and 8.C)

### **Advertising Cooperatives and Local Marketing Groups**

We may designate local advertising markets for BWW-GO Restaurants, and if we do, you must participate in and contribute to the Cooperative we establish for that market. We typically determine these local advertising markets based on our specific criteria for designated marketing areas, which are defined by Nielsen Corporation. If established, you must contribute the amount we periodically specify to the Cooperative, subject to the Marketing Spending Requirement. If, however, the Cooperative votes to require contributions that would (together with the Brand Fund contributions and required Local Marketing expenditures) exceed the Marketing Spending Requirement, you must contribute that amount. Each BWW-GO Restaurant, including those that we or our affiliates operate (except at Non-Traditional Locations), within a designated local advertising area is a member of the Cooperative and contributes to the Cooperative at the same rate, and each restaurant has one vote on all matters requiring a vote. Each Cooperative will adopt bylaws or other governing documents that we approve and which franchisees may review. You must comply with the terms of those governing documents. We or our affiliate (at our option) may administer the Cooperatives’ funds and require payment from its members via electronic funds transfer to spend on behalf of the Cooperative and its members. Otherwise, each Cooperative’s members are responsible for its administration. You or the Cooperative must pay our then current charges for any accounting, bookkeeping, administrative and other services we or our affiliate provides. At our option, each Cooperative must engage the services of a professional advertising agency or media buyer that we approve and that has expertise in the industry and in the particular market. Further, you must obtain our written approval of all Cooperative advertising, marketing and promotional materials, creative execution and media schedules and programs before their implementation. Each Cooperative will prepare annual financial statements and provide them to all members of the Cooperative and to us upon request. Also, each Cooperative must submit to us its meeting minutes upon our request. We may form, change, dissolve and merge Cooperatives. (Franchise Agreement, Section 8.D)

### **Websites**

You must, at your expense, participate in the website on the internet, our intranet system and any other online communications as we may periodically require for the BWW-GO Restaurant



network, which (at our sole option) may be combined with the website, intranet system or other online communications for the Buffalo Wild Wings Sports Bar network and/or any other concept. We will determine the content and use of our website, intranet system or other form of online communications and will periodically establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks nor participate in any other website or other form of online communications that markets, offers or sells goods and services for the Restaurant without our approval. We retain all rights relating to our website and intranet system, including all rights to the information and data that you and other visitors provide, and may alter or terminate our website or intranet system. (Franchise Agreement, Section 6.M)

### **Social Media**

You must comply with our policies and requirements (as we periodically modify them) concerning blogs, common social networks like Facebook, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites like Pinterest and Instagram, and other similar social networking or media sites or tools (collectively, “Social Media”) that in any way reference the Trademarks or involve the Restaurant. These policies may involve prohibitions on your or your representatives’ use of Social Media in relation to the Trademarks or the Restaurant. (Franchise Agreement, Section 8.F)

### **POS, Technology and Computer Systems**

You must purchase and use the Computer System that we develop or select for the Restaurant, including all future updates, supplements and modifications that we periodically specify. The Computer System includes all computing equipment, accessories, hardware, software and other information technology used in the operation of the Restaurant, including POS terminals and back office programs used to record, analyze and report sales, inventory, tax and other operational information. The computer software package developed for use in the Restaurant may include proprietary software and/or other technology. We may require you to license the proprietary software and/or other technology, and/or purchase Computer System components and other related equipment and products, only from one of our affiliates or one or more third parties (at our option) and to pay a licensing fees, user fees or technology fees and prices for components, equipment and other products that they determine. All rights in the software or other technology will remain with the licensor of the software or technology. The computer hardware and other components of the Computer System must conform to the specifications we periodically specify. We may designate a single source from whom you must purchase the Computer System and related support services, and that single source may be us or an affiliate. We will have full and complete access to information and data entered and produced by the Computer System. You must, at all times, have at the Authorized Location internet access with a form of secure high-speed broadband internet connection at our then current minimum bandwidth specification.

You must record all sales of your Restaurant on information systems that we have approved and report your Gross Sales daily through our Franchise Sales Automation (FSA) electronic data interface. The Computer System generates and stores sales, inventory, product usage, operational and tax information. The Computer System currently costs approximately \$26,500. All BWW-GO Restaurants currently must use one specific POS system, the Aloha POS system. You must

purchase the Aloha POS system (hardware and software), and required ongoing maintenance and support, from a designated supplier. We estimate the current costs for annual recurring software and hardware maintenance, repairs, upgrades and updates for the POS System will range from \$2,000 to \$3,500 for each BWW-GO Restaurant. You also must participate in the integrated online ordering solution we designate and acquire the required equipment and software only from our designated supplier. The estimated costs for franchisees to participate in the online ordering program currently include a one-time estimated cost \$325 to \$600, as well as annual maintenance fees of \$920. Otherwise neither we, our affiliate, nor any third party has any obligation to provide ongoing maintenance, repairs, upgrades or updates for the Computer System.

We may periodically designate changes or enhancements to the Computer System, including the POS terminals, computer hardware, POS file server, software, tablet technology, payment gateway technology and other equipment. You must install and begin using the required, changed or enhanced Computer System on the schedule we specify. We also may add new payment methods beyond traditional methods, including online payment, mobile order taking/payment, and table-side order and pay capabilities. Upon notice from us, you must invest in the technologies necessary to ensure the proper functioning of the new payment methods or other technology. This investment may be related to costs for hardware, software, and related service and support. No contract limits the frequency or cost of your obligations.

We have unlimited, independent access to your Restaurant's Computer System and may retrieve, analyze, download and use all software, data and files generated or stored on the Computer System. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet, file exports, integration services or other online communications or services.

You must comply with the Payment Card Industry Data Security Standards ("PCI DSS"), as the Payment Card Industry Security Standards Council (or any successor or replacement organization we may specify) may periodically modify them, and the Fair and Accurate Credit Transactions Act ("FACTA") and other applicable laws regarding your use, handling and storage of personally identifiable information, credit card data and other data. You also must upgrade periodically your Computer System and related software, at your expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations. You must notify us immediately if you are notified of or otherwise become aware of unauthorized access to one or more of your information technology systems or devices (including a credit card breach) related to the Restaurant or your business, and must cooperate with us and applicable authorities fully on any related investigation. Further, you must cooperate with us fully regarding media statements (if any) and other items related to managing any incident from a Trademark and System protection standpoint. (Franchise Agreement, Sections 6.D, 6.Q and 9.H)

### Training

No long-term changes have been made to our training program in response to the COVID-19 pandemic. If the Restaurant under your Franchise Agreement is the first BWW-GO Restaurant that you or your affiliates open, you or one of your owners whom we approve must participate in our New Franchisee Orientation ("NFO"). The NFO is a brief overview of the BWW-GO Restaurant system and the support we provide under the Franchise Agreement. We plan to conduct

the NFO at the Inspire Brands Support Center in Atlanta, Georgia once per quarter, but may conduct the program more or less often if required for new franchisees. The NFO consists of 1 to 2 days in a presentation or classroom setting. There are no specific subjects for the NFO, no instructional materials, and no tasks that you or your personnel must complete to our satisfaction. There is no cost for the NFO, but you must pay all travel and living expenses for you and your personnel.

You must, at your expense, comply with all of the training requirements we periodically specify for the Restaurant. Our current initial training program is called the Manager Basics Learning Plan (the “MBLP”). We currently conduct the MLBP at the Inspire Brands Support Center, our affiliate’s BWW-GO Restaurant in Atlanta, Georgia, or at other Nationally Certified Training Restaurants (“NCTRs”) around the country. The MBLP is primarily designed to develop the technical operational skills necessary for the operation of a BWW-GO Restaurant. The Control Person and the Unit General Manager must attend training and complete the MBLP to our satisfaction before you open the Restaurant for business. You must appoint the Unit General Manager at least 60 days before the Restaurant first opens for business and ensure that the Unit General Manager is fully trained to our satisfaction at least 30 days before the Restaurant first opens for business.

We plan to conduct the MBLP as often as required for BWW-GO Restaurant openings. The following table outlines the MBLP as of the date of this disclosure document:

**TRAINING PROGRAM**

<b>Week</b>	<b>Subject</b>	<b>Hours Classroom Training</b>	<b>Hours On-the-Job Training</b>	<b>Location</b>
1 (Open/ Mid)	<input type="checkbox"/> Orientation <input type="checkbox"/> Serve it Safely <input type="checkbox"/> Set up HOH <input type="checkbox"/> Food Preparation and Portioning <input type="checkbox"/> Daily Maintenance <input type="checkbox"/> Shake and Fryer KDU <input type="checkbox"/> Fryer/Shake Station Learning <input type="checkbox"/> Wing Drop and Buddy System <input type="checkbox"/> HOH Post Rush <input type="checkbox"/> Fryer Filtering and Magnesol Use <input type="checkbox"/> Week One Feedback & Validation	0	50	Atlanta, Georgia or a NCTR

Week	Subject	Hours Classroom Training	Hours On-the-Job Training	Location
2 (Close/ Mid)	<input type="checkbox"/> Cashier Station <input type="checkbox"/> Expo Station <input type="checkbox"/> Takeout Lockers <input type="checkbox"/> Expo KDU <input type="checkbox"/> Beverages / Packaging <input type="checkbox"/> Taking Call-In/Walk-in Orders <input type="checkbox"/> 3 <sup>rd</sup> Party Delivery Training <input type="checkbox"/> Pre-Close and Close Frontline / Lobby <input type="checkbox"/> WCT Certification <input type="checkbox"/> Week 2 Feedback and Validation	0	50	Atlanta, Georgia or a NCTR
3 (Close/ Mid)	<input type="checkbox"/> Closing Shift Responsibilities <input type="checkbox"/> BOS Training <input type="checkbox"/> BWW-GO Operating Systems <input type="checkbox"/> Deployment Guide Planning <input type="checkbox"/> Manager Tools <input type="checkbox"/> Opening and Closing Checklist <input type="checkbox"/> Management Path <input type="checkbox"/> Intro to Manager on Duty (MOD) Role <input type="checkbox"/> Cash Control / Banking <input type="checkbox"/> Guest Feedback System <input type="checkbox"/> Guest Retention – Fumble and BLAST <input type="checkbox"/> Pre-Close and Closing Supervision <input type="checkbox"/> Closing Paperwork and Tasks <input type="checkbox"/> Par Level Guides & Waste <input type="checkbox"/> Week 3 Feedback and Validation	0	50	Atlanta, Georgia or a NCTR
4 (Open/ Mid)	<input type="checkbox"/> Opening Shift Responsibilities <input type="checkbox"/> Practice Manager on Duty (MOD) Role <input type="checkbox"/> Employee Breaks <input type="checkbox"/> Pre-Shift Meeting using Huddle Cards <input type="checkbox"/> Management Shift Change <input type="checkbox"/> Ordering and Receiving Product <input type="checkbox"/> Practice BOS Functions <input type="checkbox"/> <i>ServSafe Training Course and Certification</i> <input type="checkbox"/> Required Tools & Postings <input type="checkbox"/> Food Inventory Difference <input type="checkbox"/> Troubleshooting Food <input type="checkbox"/> QSC <input type="checkbox"/> AM and PM Checklist <input type="checkbox"/> Week 4 Feedback and Validation	0	50	Atlanta, Georgia or a NCTR

Rachel Richal, our Vice President of Training, oversees our training programs. Ms. Richal joined us in 2019 and held the positions of Director, Learning and Sr. Director of Learning and Team Member Activation. Previously she was Director of Training for TooJay’s Deli and

Restaurant overseeing the company's training and operations programs and new restaurant openings. She has a B.S. in Hospitality Management and over 20 years of restaurant experience in various roles in training and operations. Additional employees who have experience in some facet of the operation of a Buffalo Wild Wings Sports Bar (for example, opening, operations or systems management) will assist Ms. Richal with the development and administration of the training program. Instructional materials for the training programs are located on our intranet and online Learning Management System.

If the Restaurant is the first or second BWW-GO Restaurant that you or your affiliates operate, we will provide the MBLP to your Control Person and Unit General Manager without any training fee, but you must pay our then current training fee for each additional person who attends the MBLP. If the Restaurant is the third or subsequent BWW-GO Restaurant that you or your affiliates operate, then you (or your affiliate) must provide the MBLP at your (or its) NCTR according to our standards and requirements. If the Restaurant is the third or subsequent BWW-GO Restaurant that your or your affiliates operate and you or your affiliate does not then have an NCTR, or if we otherwise provide the initial training program for any Restaurant personnel, then you must pay our then current training fee (currently \$1,500) for each person. You also must pay all of your and your personnel's travel, living and other expenses and compensation incurred in attending any training programs. Should your Control Person or Unit General Manager fail to successfully complete our training requirements, we may require that you appoint a new Control Person or Unit General Manager who meets our standards and qualifications within 30 days. That new Control Person or Unit General Manager must attend and successfully complete our training requirements immediately after you appoint him or her.

On or before the opening date for the third BWW-GO Restaurant that you (or your affiliates) operate, you must complete (or cause your affiliate to complete) to our satisfaction the necessary brand standards training, attain the minimum benchmarks, and complete the other tasks that we then specify in order for us to designate one of your (or your affiliate's) BWW-GO Restaurants as a NCTR and that Restaurant's Unit General Manager as the "Training General Manager." There are no specific subjects or durations of training to attain NCTR and Certified Training Manager status. The training is typically conducted in Atlanta, Georgia or at a NCTR. We do not charge any separate fees for this training, but you must pay all travel and living expenses for you and your personnel. Once you or your affiliate have attained these certifications, if the NCTR loses that certification or otherwise fails to meet our minimum benchmarks to retain that certification, or if the Training General Manager's employment at the NCTR ends or the Training General Manager otherwise loses that certification, then within 60 days after that, you must complete (or cause your affiliate to complete) the tasks necessary to once again have one of your or your affiliate's BWW-GO Restaurants designated as a NCTR and for that Restaurant's Unit General Manager to be designated as the Training General Manager. We may permit and/or require that certain initial and ongoing training for Restaurant personnel be conducted at your (or your affiliate's) NCTR, under the direction and supervision of the Training General Manager, and according to our standards and requirements.

In addition to the NFO and the MBLP, if the Restaurant is one of the first 2 BWW-GO Restaurants that you and your affiliates open, then we will utilize our on-site Opening Checklist training to provide training on various aspects of day-to-day operations, including kitchen and front-of-house operations. For the first BWW-GO Restaurant, we will send 1 trainer to assist with

the needed pre-opening and post-opening crew training at the Restaurant for 7 calendar days. For the second BWW-GO Restaurant, we will send one trainer for 5 calendar days. We will determine the individual(s) who provide the training in our sole judgement. We do not charge any fees for the Opening Checklist training. There are no specific subjects or durations of this training. Restaurant staff need not complete specific tasks to our satisfaction.

All replacement Unit General Managers at the Restaurant must complete training to our satisfaction and must begin training within 4 weeks after the time of hire. You must pay our then current training fee (currently \$1,500) if we provide that training. The training requirements may vary depending on our assessment of the experience of the trainee or other factors specific to the Restaurant. You may not permit management of the Restaurant's operations by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

We may require the Control Person, the Unit General Manager, shift supervisors and other key employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Authorized Location or any other location we periodically designate. In addition, you must participate in the manner we periodically specify in all in-Restaurant training programs that we periodically implement, including by acquiring electronic devices (such as computers, laptops or tablets) and other equipment and subscriptions or licenses for learning platforms. Currently we offer ongoing training through our Learning Management System. You must pay our then current training fees (currently up to \$1,500) and all of your and your personnel's travel, living and other expenses and compensation incurred in any ongoing training programs.

Your Control Person or another representative of the Restaurant whom we approve must attend, at your expense, all annual franchise conferences we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics that we periodically specify. We may require you to purchase access to training videos or other instructional materials from us. You and/or your Control Person and other Restaurant personnel must attend any additional meetings and refresher training programs that we periodically deem appropriate. We currently do not charge fees for these conferences and meetings, but you must pay all expenses for you and your employees, including training materials, travel and living expenses. (Franchise Agreement Section 7)

## **ITEM 12** **TERRITORY**

### **Franchise Agreement**

You will operate the Restaurant at a specific Authorized Location that we accept within a Designated Area that we specify in the Franchise Agreement when we and you sign it. There is no set minimum or maximum size for Designated Areas. We will determine the Designated Area for each BWW-GO Restaurant based on a number of factors, such as the character of nearby businesses, demographic factors, drive times, and other physical and commercial characteristics of the location and market. However, we do not anticipate that a Designated Area will be less than 2 blocks nor more than 3 miles. The consumer service area, trade area or other designated area of another BWW-GO Restaurant might overlap with your Designated Area.

While you and your affiliates comply with the Franchise Agreement and any other agreements with us and our affiliates relating to the Restaurant, we and our affiliates will not open and operate, or grant to anyone else a license or franchise to open and operate, a BWW-GO Restaurant the physical premises are located within the Designated Area so long as the Franchise Agreement is in effect, except for BWW-GO Restaurants located at Non-Traditional Locations within the Designated Area. Because we can locate BWW-GO Restaurants at Non-Traditional Locations within the Designated Area and for the reasons described below, 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.

Certain locations within and outside the Designated Area are by their nature unique and separate in character from sites generally developed as BWW-GO Restaurants. As a result, the following locations (“Non-Traditional Locations”) are excluded from the Designated Area, and we and our affiliates have the right to open and operate, or grant to anyone else a license or franchise to open or operate, BWW-GO Restaurants at these locations, whether they are within or outside the Designated Area: (a) military bases and other governmental facilities; (b) universities, schools and other education facilities; (c) airports, train stations, toll plazas and other public or restricted-access transportation facilities or terminals; (d) stadiums, arenas, theaters and other sports and entertainment venues; (e) amusement parks, theme parks, museums, zoos, and other similar public facilities; (f) cafeterias, food courts and other foodservice locations within shopping centers, shopping malls, office buildings/corporate campuses, industrial buildings, and department stores, grocery stores, and similar retail stores; (g) hotels, casinos and convention centers; (h) hospitals, nursing facilities and other medical facilities; and (i) reservations and other sovereign territories

We (on behalf of ourselves and on behalf of any other entity which we may acquire, or be acquired by, or otherwise are or become affiliated with) retain all rights not expressly granted in the Franchise Agreement and have the right to engage in any activities we or they deem appropriate that the Franchise Agreement does not expressly prohibit. By way of example, this includes:

(1) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BWW-GO Restaurants at any locations outside the Designated Area and BWW-GO Restaurants at any Non-Traditional Locations within or outside the Designated Area;

(2) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, restaurants and other foodservice establishments (including Buffalo Wild Wings Sports Bars) or any similar or dissimilar businesses that either are not primarily identified by the Buffalo Wild Wings GO® Trademark or do not operate under the System at any locations, whether within or outside the Designated Area;

(3) all rights relating to the Trademarks, and all Menu Items and other products and services associated with any of the Trademarks, in any methods of distribution, except as specifically described above. This includes providing, and granting rights to others to provide (except as specifically described above), products and services that are similar or dissimilar to, or competitive with, any Menu Items and other products and services

provided at BWW-GO Restaurants, whether identified by the Trademarks or other trademarks or service marks, regardless of the method of distribution and at any area or location. For example, we and our affiliates may provide and grant others the right to provide: (a) through other BWW-GO Restaurants, Buffalo Wild Wings Sports Bars, and/or other methods of distribution, catering and delivery services for Menu Items and other products and services within or outside the Designated Area, and (b) any frozen items, pre-packaged items or other products or services associated with BWW-GO Restaurants (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, through any channels of distribution such as grocery stores, club stores, convenience stores, wholesale, hospitals, clinics, health care facilities, business or industry locations (e.g. manufacturing sites and office buildings), military installations, military commissaries or the internet (or any other existing or future form of electronic commerce); and

(4) acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by, a one or more businesses providing products and services similar or dissimilar to those provided at BWW-GO Restaurants, and franchising, licensing or creating other arrangements regarding these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Designated Area.

If you choose to relocate the Restaurant because your lease expires or is cancelled for reasons other than your breach, or you need to relocate the Restaurant because of condemnation or destruction, you may do so at a site acceptable to us that is within your Designated Area if you comply with our timelines for notice and development of the new site. As part of the relocation you must sign our then current form of franchise agreement and related documents (modified to remove any initial franchise fee), the terms of which may differ from those in the Franchise Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur relating to your relocation.

You must engage in catering and delivery from your Restaurant according to the standards and specifications that we periodically specify. You may not establish another outlet or property (other than the Authorized Location) for use in providing catering or delivery service and may not provide catering or delivery service to customers at Non-Traditional Locations without our prior written consent. At our option, we may determine, and after that may periodically modify, the geographic area within which you will provide catering or delivery service, but you will not receive any exclusive, protected or other territorial rights regarding catering services or deliveries in that geographic area. If you fail to comply with any provision of the Franchise Agreement, including any standard or specification pertaining to catering or delivery service, then in addition to our other rights, we may temporarily suspend or permanently terminate your right to provide catering and/or delivery service or temporarily or permanently restrict the geographic area within which you may provide catering or delivery service. Otherwise, there are no restrictions on your soliciting or accepting orders from consumers outside of the Designated Area, but you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within or outside of your Designated Area. We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct



marketing sales, to make sales within the Designated Area using the Trademarks or other trademarks without compensating you.

Continuation of your territorial rights under the Franchise Agreement does not depend on your achieving a certain sales volume, market penetration or other contingency. The Franchise Agreement does not provide you options, rights of first refusal, or similar rights to acquire additional franchises within the Designated Area or contiguous areas. We may not alter your Designated Area or modify your territorial rights in the Designated Area before your Franchise Agreement expires or is terminated, although we may do so for a successor franchise agreement and if you relocate the Restaurant and sign a new franchise agreement.

### Area Development Agreement

If we and you sign an Area Development Agreement, then we grant to you the right (directly or through Developer Subsidiaries) to develop and sign Franchise Agreements to operate the number of new BWW-GO Restaurants identified on the Development Schedule within the Development Territory. We will identify the Development Territory in the Area Development Agreement when we and you sign it. We typically define Development Territories based on demographics, the character of the market and nearby businesses and residences, the density of residential and business entities, traffic generators, driving times, and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. The consumer service area, trade area or designated area of another BWW-GO Restaurant might overlap with your Development Territory. There is no minimum size for Development Territories.

To maintain your rights under the Area Development Agreement, you (or a Developer Subsidiary) must (i) submit site packages for proposed BWW-GO Restaurant sites that you reasonably believe conform to our then current site selection criteria, in the form and containing the information that we periodically specify, for the number of sites described under the Development Schedule; (ii) sign Franchise Agreements with us for the number of new BWW-GO Restaurants described under the Development Schedule; and (iii) open and begin operating the number of new BWW-GO Restaurants described under the Development Schedule in compliance with the applicable Franchise Agreements. We will determine whether to accept or reject proposed sites based on our then current standards for site selection. You also must comply with the Development Schedule requirements regarding the cumulative number of BWW-GO Restaurants to be open and continuously operating for business in the Development Territory. If you fail to comply with any aspect of the Development Schedule, we may terminate the Area Development Agreement.

If you have complied with the Area Development Agreement and our then current development policies, and we have accepted your proposed site for the BWW-GO Restaurant and your (or your Developer Subsidiary's) financial and operational qualifications, then we will issue a franchise agreement for that Restaurant at that site. We will determine the designated area, and any rights in the designated area, for that franchise agreement using our then current standards and policies.

If you and your affiliates are complying with the Area Development Agreement and any other agreements with us and our affiliates relating to any BWW-GO Restaurants, including all Franchise Agreements, then we and our affiliates will not open and operate, or grant to anyone else a license or franchise to open and operate, a BWW-GO Restaurant the physical premises are located within the Development Territory so long as the Area Development Agreement is in effect, except for BWW-GO Restaurants located at Non-Traditional Locations within the Development Territory. Non-Traditional Locations are excluded from the Development Territory, and we and our affiliates may open and operate, or grant to anyone else a license or franchise to open and operate, BWW-GO Restaurants at Non-Traditional Locations within or outside the Development Territory. However, if the Development Territory covers more than one city, county, designated market area or target area (each “Target Area”), then this territorial protection for each Target Area expires upon the earlier of (i) the expiration or termination of the Area Development Agreement, or (ii) the date upon which you or a Developer Subsidiary signs a Franchise Agreement for a BWW-GO Restaurant to be developed in that Target Area. When this territorial protection for the Development Territory or Target Area (as applicable) ends, then we and our affiliates may open and operate, and grant to anyone else a license or franchise to open and operate, BWW-GO Restaurants the physical premises of which are located within the Development Territory or Target Area (as applicable), except as otherwise provided under any Franchise Agreement then in effect.

The rights described above that we and our affiliates reserve in a franchisee’s Designated Area for a single BWW-GO Restaurant are generally the same for the Development Territory under the Area Development Agreement. Because we can locate BWW-GO Restaurants at Non-Traditional Locations within the Development Territory and for the reasons described above, 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. Continuation of your territorial rights in the Development Territory does not depend on your achieving a certain sales volume, market penetration or other contingency, and we may not alter your Development Territory or modify your territorial rights in the Development Territory. You have no options, rights of first refusal or similar rights to acquire additional franchises under the Area Development Agreement.

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates’ franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

**ITEM 13**  
**TRADEMARKS**

The Franchise Agreement licenses you to use the trademark and service marks BUFFALO WILD WINGS, BUFFALO WILD WINGS GO and other Trademarks. Our Parent has registered the following principal Trademarks on the Principal Register of the U.S. Patent and Trademark Office (the “PTO”):

<b>PRINCIPAL TRADEMARKS</b>	<b>REGISTRATION DATE</b>	<b>REGISTRATION NUMBER</b>
BUFFALO WILD WINGS	April 13, 1999	Reg. No. 2,239,550
BUFFALO WILD WINGS GRILL & BAR (design mark)	September 8, 1998	Reg. No. 2,187,765
BUFFALO WILD WINGS (logo)	February 19, 2013	Reg. No. 4,293,524
BUFFALO WILD WINGS. Beer. Sports. (logo)	April 22, 2014	Reg. No. 4,519,293
BUFFALO WILD WINGS-GO	December 29, 2020	Reg. No. 6,235,303
BUFFALO WILD WINGS-GO BAR (design mark)	December 29, 2020	Reg. No. 6,235,302

Our Parent has made all required renewal and affidavit filings. Our Parent has licensed us the right to use the Trademarks and to sublicense them for the operation of BWG-RESTAURANTS under a license agreement dated January 1, 2007. The initial term of the license agreement is for 20 years and it provides for unlimited, automatic renewals for terms of 10 years each. Our Parent may terminate the license agreement if either we or any franchisee misuses the Trademarks in a way as to materially impair the goodwill associated with the Trademarks, or if we are dissolved, become insolvent or (except for our right to sublicense the Trademarks to franchisees) assign our rights under the license agreement without our Parent’s consent. If the license agreement terminates, the rights to use the Trademarks will revert to our Parent, and we must immediately cease all use of the Trademarks. We have the first right of refusal if our Parent decides to sell its rights in the Trademarks. There are no other agreements currently in effect that significantly limit our right to use or license the use of the Trademarks.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings, and no pending material litigation, involving the principal Trademarks. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Trademarks in any state.

You must notify us of any suspected infringing uses of, or claims of rights to, the Trademarks or any similar mark, and cooperate with us in responding to them. We or our Parent

has the sole right to determine whether to take any legal action concerning any infringement or claims and to control and direct any litigation, administrative and other proceedings involving the Trademarks. We will pay the cost of any litigation or administrative action for policing the Trademarks against infringement, unless the challenge or claim results from your misuse of the Trademarks in violation of the Franchise Agreement, in which case you must reimburse us for our fees and expenses. You must (at your expense) take reasonable steps to assist us with any action. We are not obligated, however, to institute legal or other action to protect you against claims of infringement or unfair competition concerning the Trademarks. We need not participate in your defense nor indemnify you for expenses and damages if you are a party to any administrative or judicial proceeding involving a Trademark or if the proceeding is resolved unfavorably to you. You may not take any legal action for infringement or unfair competition concerning the Trademarks without our consent.

You may use the Trademarks only according to the Franchise Agreement and our manuals. You may not use, or permit the use of, any trademarks, trade names or service marks in operating the Restaurant except the Trademarks or except as we otherwise direct in writing. You may use the Trademarks only in the form and manner we periodically specify in writing and must comply with all of our trademark, trade name and service mark notice and marking requirements. You may use the Trademarks only in association with products and services we periodically approve and that meet our standards or requirements for quality, mode and condition of storage, production, preparation and sale, and portion and packaging. You must follow our directions in using the Trademarks and any modified or new trademark. If we require you to modify or discontinue use of a Trademark, we do not have to compensate you. This modification or discontinuance will not provide you with any termination or other rights.

The Area Development Agreement does not grant you any rights to use the Trademarks. You derive the right to use the Trademarks only under a franchise agreement.

#### **ITEM 14**

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

No patents or patent applications are material to the franchise. We have not registered any copyrights applicable to the BWW-GO Restaurant business with the United States Copyright Office. However, we claim copyrights on and consider proprietary our manuals, forms, advertisements, and other proprietary materials. There are no currently effective material determinations of the PTO, the United States Copyright Office or any court regarding any of the copyrighted materials. We do not know of either superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. There are currently no agreements in effect that limit our rights to use or license the use of any copyrights in any manner material to the franchise.

You must promptly inform us, in writing, when you learn about any infringement or unauthorized use of our proprietary information or copyrighted materials. We or our Parent has the sole right to determine whether to take any legal action concerning any infringement or claims and to control and direct any administrative proceeding or litigation involving the copyrighted materials or proprietary information. We will pay the cost of any litigation or administrative action for policing the copyrighted materials or proprietary information against infringement. We are not

obligated, however, to institute legal or other action to protect you against claims arising from your use of the copyrighted materials or proprietary information. We need not participate in your defense nor indemnify you for expenses and damages if you are a party to any administrative or judicial proceeding involving the copyrighted materials or proprietary information. You may not take any legal action for infringement or unfair competition concerning the copyrighted materials or proprietary information without our consent. You must modify or discontinue using any copyrighted materials and proprietary information as we direct.

You and your Restricted Persons (defined below) may not, during the or after the Area Development Agreement's or Franchise Agreement's term, disclose, copy, reproduce, sell or use in any other business or in any manner that we do not specifically authorize or approve in advance in writing, any Confidential Information. "Confidential Information" means the whole or any portion of (i) any know-how, knowledge, methods, standards, specifications, processes, procedures and/or improvements regarding the development or operation of a BWW-GO Restaurant that is valuable and secret in the sense that it is not generally known to our competitors; (ii) any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of your Restaurant, including the proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data; (iii) the names, contact information, ordering history and other personal information (excluding credit card data and other account data that you collect through the Restaurant's POS system) of or relating to the Restaurant's customers or prospective customers; and (iv) any other information that we reasonably designate as confidential or proprietary. "Restricted Persons" means, individually and collectively, you, your affiliates, your Control Person, all of your guarantors, officers and directors, and all of your owners. You and your Restricted Persons may not use Confidential Information for any purpose other than operating your business under the Area Development Agreement or the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons associated with you who have access to any Confidential Information. Upon termination of your Area Development Agreement or Franchise Agreement, you must return to us all proprietary information, including the manuals and all other copyrighted material.

You must promptly disclose to us all ideas, concepts, techniques or materials relating to a BWW-GO Restaurant business, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners. These items are our sole and exclusive property, part of the System, and works made for hire for us. You may not use any of these ideas, concepts, techniques or materials in operating the Restaurant without our prior approval. You must (and must cause each of your owners to) sign whatever assignment or other documents we may periodically request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials.

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

During the term of the Franchise Agreement, you (if the franchisee is an individual) or your Control Person (if the franchisee is an entity) must personally participate in the direct operation of the Restaurant and devote full time and best efforts to the management of the Restaurant. Your “Control Person” is the individual whom we approve who (i) has the authority under your (and/or your parent company’s) organizational documents to authorize a merger, liquidation, dissolution or transfer of substantially all of your assets and otherwise to direct and control your management and policies without the vote or consent of any other person or entity; (ii) actively directs your business affairs in regard to the Restaurant, and is responsible for overseeing the general management of the day-to-day operations of the Restaurant; and (iii) has authority to sign on your behalf on all contracts and commercial documents.

A Unit General Manager must provide direct on-premises supervision to the Restaurant. “Unit General Manager” means the individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the Restaurant and meets our training requirements. You (if the franchisee is an individual) or your Control Person (if the franchisee is an entity) may serve as the Unit General Manager if we approve. You must have a Control Person and a Unit General Manager that meet our standards and qualifications at all times during the Franchise Agreement’s term. Your Control Person and Unit General Manager must attend and successfully complete all required training. You must appoint the Unit General Manager at least 60 days before the Restaurant first opens for business and ensure that the Unit General Manager is fully trained to our satisfaction at least 30 days before the Restaurant first opens for business. In addition to the Control Person and your Unit General Manager, your Restaurant must have at least 3 shift managers at all times during the Franchise Agreement’s term. They need not have any equity interest in you or in the Restaurant. If any manager fails to satisfactorily complete the training program, you may designate a different individual, who must then satisfactorily complete the training program.

Your Control Person or another representative of the Restaurant whom we approve must attend, at your expense, all annual franchise conferences we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics that we periodically specify. You and/or your Control Person and other Restaurant personnel must attend any additional meetings and training programs that we periodically deem appropriate. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons associated with you who have access to any Confidential Information.

All Principal Owners must sign a personal guaranty and undertaking of all financial and other obligations arising under your Franchise Agreement. “Principal Owner” means any owner who owns a 10% or greater interest in you (where you are a business entity), any general partner in a partnership, and any manager or managing member in a limited liability company. However, if we are signing the Franchise Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any individual or entity who owns less than a 10% interest in you, we may designate that person or entity as a Principal Owner. If you sign the

Franchise Agreement as one or more individuals, each individual is a Principal Owner. You must have at least one Principal Owner.

If you sign the Area Development Agreement, you must develop your Development Territory according to the Development Schedule. We recommend that you (or, if you are an entity, your owners) personally supervise your development of BWW-GO Restaurants. Under the Area Development Agreement your personnel need not have an equity interest in any BWW-GO Restaurant or in you. Personnel need not attend our training program. If you are an entity, your owners need not sign any personal guarantees of your obligations under the Area Development Agreement.

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

You must offer for sale at the Restaurant all of the Menu Items and food and beverage products that we periodically require and you may not offer at the Restaurant any unapproved products or Menu Items or use the Authorized Location for any purpose other than the operation of a Restaurant. We have the unlimited right to change the types of authorized products and services you may offer. You must comply with the maximum, minimum or other pricing policies and requirements that we periodically specify for Menu Items and other products and services that the Restaurant offers and sells, including promotions, special offers and discounts in which some or all BWW-GO Restaurants participate, in each case to the maximum extent the law allows.

You must engage in catering and delivery from your Restaurant according to the standards and specifications that we periodically specify. At our option, you must use only the vendors and programs that we periodically specify or approve. At our option, we may determine, and thereafter may periodically modify, the geographic area within which you will provide catering or delivery service. If you fail to comply with the Franchise Agreement, in addition to our other rights, we may temporarily suspend or permanently terminate your right to provide catering and/or delivery service or temporarily or permanently restrict the geographic area within which you may provide catering or delivery service.

**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.**

	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	4.A of FA; 5 of ADA	Franchise Agreement’s term ends 10 years after the earlier of the date upon which the Restaurant first opens for business or the Required Open Date. Area Development Agreement’s term ends on the earlier of the date upon which last Franchise Agreement for your last Restaurant under the Development Schedule is signed or is scheduled to be signed.

	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
b.	Renewal or extension of the term	4.B of FA	Under the Franchise Agreement you may acquire one successor franchise of 10 years if you comply with the requirements in subsection (c) below. You may not extend or renew the term of the Area Development Agreement.
c.	Requirements for franchisee to renew or extend	4.B of FA	You give us written notice at least 6 months but not more than 12 months before the term expires; you sign our then current form of franchise agreement documents (modified to reflect that the agreement relates to the grant of a renewal license), the terms of which may differ materially from those in the Franchise Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area; you have complied with our modernization requirements for your Restaurant, unless we determine that you should relocate the Restaurant; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Restaurant premises throughout the renewal term; you comply with our training requirements; you pay us a renewal fee equal to 50% of our then current initial franchise fee for new franchisees; and you, each Principal Owner and each guarantor sign a release (if state law allows). “Renewal” under the Franchise Agreement means signing our then current franchise agreement, which could contain materially different terms.
d.	Termination by franchisee	13.D of FA	Subject to state law, you may terminate the Franchise Agreement only if we breach a material provision, you give us written notice specifically identifying the breach, and we fail to cure within 30 days. Termination is effective 60 days after the original notice of breach. You may not terminate the Area Development Agreement except as applicable law allows.
e.	Termination by franchisor without cause	Not Applicable	We may not terminate the Franchise Agreement or Area Development Agreement without cause.
f.	Termination by franchisor with cause	13.A and 13.B of FA; 9.A and 9.B of ADA	We can terminate the Franchise Agreement and the Area Development Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Area Development Agreement contain cross-default provisions.
g.	“Cause” defined – curable defaults	13.B of FA; 9.B of ADA	Under the Franchise Agreement you have 24 hours to cure a violation of any health safety or sanitation law or system standard or your operation of the Restaurant in a manner that presents a health or safety hazard, 10 days to cure the failure to submit reports or pay amounts due to us or our affiliates, and 30 days to cure defaults not listed in (h) below. Under the Area Development Agreement you have 30 days to cure defaults not listed in (h) below.
h.	“Cause” defined – non-curable defaults	13.A of FA; 9.A of ADA	Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions, failure to open on time, abandonment, the lease terminates or you fail to cure lease default or lose possession, authorities close the



	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
			<p>Restaurant for health or public safety reasons, unauthorized use of Confidential Information, conviction of or pleading no contest to a felony, breaching provision that results in material impairment of goodwill, any action that infringes upon, harms or contests rights in Trademarks or goodwill, any dishonest, unethical or illegal conduct which adversely affects the Restaurant or Trademarks, failure to maintain insurance, intentionally underreporting Gross Sales or fees or any subsequent audit in 3-year period reveals understatement of 1.25% or more, unauthorized transfers, repeated defaults, any other franchise or other agreement relating to a BWW-GO Restaurant terminates (except for an Area Development Agreement), and bankruptcy-related events.</p> <p>Non-curable defaults under the Area Development Agreement include failure to meet the Development Schedule, material misrepresentations or omissions, unauthorized use of Confidential Information, conviction of or pleading no contest to a felony, breaching provision that results in material impairment of goodwill, any action that infringes upon, harms or contests rights in Trademarks or goodwill, any dishonest, unethical or illegal conduct which adversely affects a BWW-GO Restaurant or Trademarks, unauthorized transfer, any franchise agreement or other agreement relating to a BWW-GO Restaurant terminates, and bankruptcy-related events.</p>
i.	Franchisee's obligations on termination/non-renewal	14 of FA; 10 of ADA	Obligations under Franchise Agreement include paying amounts owed to us and third parties, complete de-identification of Restaurant, assigning telephone numbers and assumed name rights, delivering to us or destroying all signs and other materials bearing the Trademarks, returning manuals, and stopping all use of Confidential Information (including customer data). Also see (o) and (r) below. When the Area Development Agreement terminates all rights granted to you under that agreement terminate.
j.	Assignment of contract by franchisor	11.H of FA; 7.E ADA	No restriction on our right to assign.
k.	"Transfer" by franchisee – defined	11.A of FA; 7.A of ADA	Includes transfer of any interest in the Franchise Agreement or Area Development Agreement, the Restaurant or its assets or your business, or any direct or indirect ownership interest in you if you are an entity, or which results in the transfer or creation of a controlling ownership interest in you.
l.	Franchisor approval of transfer by franchisee	11.B-11.D of FA; 7.B-7.D of ADA	No transfers under the Franchise Agreement or Area Development Agreement without our approval. In addition to the requirements under (m) below, we may condition our approval on the simultaneous transfer to the applicable assignee of other rights and interests such that, following

	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
			the transfer, the assignee has the right to develop, own and operate all BWW-GO Restaurants in the market.
m.	Conditions for franchisor approval of transfer	11.B-11.E of FA; 7.B-7.D of ADA	<p>Conditions for a non-control transfer under the Franchise Agreement include providing notice and information, payment in full of all amounts owed to us and third parties, compliance with Franchise Agreement and other agreements, transferee and its owners meet our standards and do not have competitive businesses, you and your Principal Owners sign the agreement we specify to reflect the new ownership structure, transferring owners sign non-compete, you and Principal Owners sign general release (if state law allows), and you pay \$1,000 transfer fee.</p> <p>Conditions for a control transfer under the Franchise Agreement include providing notice and information, payment in full of all amounts owed to us and third parties, compliance with Franchise Agreement and other agreements, transferee and its owners meet our standards and do not have competitive businesses, transferee or you (as applicable) agree at our option to be bound by original Franchise Agreement or sign our then current form of Franchise Agreement whose terms may differ materially (including higher fees and a modification to the Designated Area and/or your rights in any new designated area), transferring owners sign non-compete, transferee and its personnel complete training, we determine that price and terms will not adversely affect the Restaurant, you subordinate transferee's payments and guarantee performance of transferee if you retain security interest, you and Principal Owners sign general release (if state law allows), and you pay remaining transfer fee described in Item 6.</p> <p>Conditions for a non-control transfer under the Area Development Agreement include providing notice and information, complying with non-control transfer requirements of all Franchise Agreements, transferee and its owners meet our standards, you and your Principal Owners sign the agreement we specify to reflect new ownership structure and general release (if state law allows), and you pay \$1,000 transfer fee.</p> <p>Conditions for a control transfer under the Area Development Agreement include providing notice and information, complying with control transfer requirements of all Franchise Agreements, transferee and its owners meet our standards, transferee or you (as applicable) agree to be bound by original Area Development Agreement, you and your owners sign general release (if state law allows), and you pay remaining transfer fee described in Item 6.</p>

	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
n.	Franchisor's right of first refusal to acquire franchisee's business	11.G of FA	If you or any Owners propose to engage in a control transfer, we can match any offer. Also, if the proposed control transfer involves the transfer of ownership interests or arises from bankruptcy, we also have the option to purchase the Restaurant's assets.
o.	Franchisor's option to purchase franchisee's business	14.E of FA	When the Franchise Agreement terminates or expires, we or our designee may purchase all or any portion of the Restaurant's assets at fair market value, but not as a going concern. If we and you cannot agree on a purchase price, 3 appraisers will determine the price.
p.	Franchisee's death or disability	11.F of FA	Upon your or your owner's death or disability, you have 180 days to transfer to your or your owner's heir or successor in interest, subject to the other transfer requirements, but if assignee is your spouse or child there is no transfer fee or right of first refusal.
q.	Non-competition covenants during the term of the franchise	10.D of FA	No owning interest in, performing services for or having any other involvement in any restaurant or other foodservice business (whether or not operating from a retail location) that generates, or is reasonably expected to generate, at least 10% of its revenue during any 6-month period from the sale of chicken wings, chicken tenders or other chicken pieces, whether at wholesale or retail ("Competitive Business"), wherever located, other than a BWW-GO Restaurant or a Buffalo Wild Wings Sports Bar.
r.	Non-competition covenants after the franchise is terminated or expires	10.D of FA	For 2 years after expiration, termination or transfer, no owning interest in, performing services for or having any other involvement in any Competitive Business at the Restaurant's site, within 5 miles of the Restaurant's site, or within 5 miles of any other BWW-GO Restaurant then operating or under development.
s.	Modification of the agreement	15.B of FA; 11.C of ADA	Modifications only by written agreement of the parties, but we may change the manuals, standards, Menu Items and System.
t.	Integration/merger clause	15.B of FA; 11.C of ADA	Only terms of the agreements are binding (subject to state law). Any representations or promises made outside of the Disclosure Document and those agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
v.	Choice of forum	12.B of FA; 8.B of ADA	You must file litigation in the federal or state court of general jurisdiction located closest to our then current principal office (currently located in Atlanta, Georgia). We can file litigation in the federal or state court of general jurisdiction located closest to our then current principal office or in the jurisdiction where you reside or do business or where the Restaurant is or was located, or where the claim arose (subject to state law).
w.	Choice of law	12.A of FA; 8.A of ADA	Georgia law applies to all claims (subject to state law).

\* "FA" means the Franchise Agreement and "ADA" means the Area Development Agreement.

**ITEM 18**  
**PUBLIC FIGURES**

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

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We launched the Buffalo Wild Wings GO® brand when our affiliate opened the first BWW-GO Restaurant in Atlanta, Georgia in May 2020. These financial performance representations illustrate the preliminary results that BWW-GO Restaurants have achieved during their initial period of operation. We have not made permanent, material changes to our franchise concept as a result of the COVID-19 pandemic.

There were 21 BWW-GO Restaurants operating as of March 20, 2022 (the “Measuring Date”). Our affiliate owns and operates 19 of these restaurants and franchisees own and operate the other 2. Only 6 of these restaurants (the “Mature Restaurants”) operated for the full 12 fiscal month period from March 22, 2021 through March 20, 2022 (the “Measuring Year”), because the remaining restaurants all opened after March 22, 2021. Our affiliate owns and operates all of the Mature Restaurants. Because we have such a limited number of BWW-GO Restaurants with 12 full months of operations, we have expanded these financial performance representations to include the 19 BWW-GO Restaurants that had operated for at least 8 weeks as of as of the Measuring Date (the “Reporting Restaurants”). Our affiliate owns and operates 17 of the Reporting Restaurants and franchisees own and operate the other 2. For clarity, the Mature Restaurants are part of the Reporting Restaurants.

These financial performance representations disclose the actual, historical average weekly Gross Sales, also called the weekly Average Unit Volume or “AUV,” for all of the Mature Restaurants during the Measuring Year and, separately, for all of the Reporting Restaurants (subject to the exclusion of Super Bowl week, as described below) from the restaurant’s opening date through the Measuring Date. We do not report the results of the franchised Reporting Restaurants separately from the results of the affiliate-owned Reporting Restaurants because doing so could make the identities of the franchisees whose data is reported discernable, and because the results from the franchised and affiliate-owned Reporting Restaurants are not materially different. No BWW-GO Restaurants have closed as of this disclosure document’s issuance date.

Category	# Restaurants	Average # Weeks Open	Weekly AUV	#/% Above Average	Highest/ Lowest Weekly AUV	Median Weekly AUV
Top Third Reporting Restaurants	6	29.0	\$26,558	2/33%	\$34,817/\$21,870	\$25,421

Category	# Restaurants	Average # Weeks Open	Weekly AUV	#/% Above Average	Highest/ Lowest Weekly AUV	Median Weekly AUV
Middle Third Reporting Restaurants	7	32.0	\$18,208	4/57%	\$19,938/\$16,693	\$18,431
Bottom Third Reporting Restaurants	6	40.8	\$14,499	3/50%	\$16,595/\$11,802	\$14,706
All Reporting Restaurants	19	33.8	\$19,673	7/37%	\$34,817/\$11,802	\$18,431
All Mature Restaurants	6	52	\$18,694	3/50%	\$25,209/\$13,592	\$18,421

12 of the Reporting Restaurants (including 3 of the Mature Restaurants) are located in suburban markets and the remaining 7 Reporting Restaurants (including 3 of the Mature Restaurants) are located in urban/metro markets. As of the Measuring Date, 6 of the Reporting Restaurants (including the Mature Restaurants) were operating for 52 weeks, 7 of the Reporting Restaurants were operating for between 19 weeks and 51 weeks, and the remaining 6 were operating for less than 18 weeks. The Reporting Restaurants vary in size from 1,083 to 1,875 square feet, with an average of 1,507 square feet. 15 of the Reporting Restaurants are in in-line spaces of retail shopping centers and the remaining 4 are end-cap units. None of the Reporting Restaurants are in stand-alone buildings. All of the Reporting Restaurants offer essentially the same products and services that new BWW-GO Restaurants will offer. Our first BWW-GO Restaurants initially did not sell burgers, but we began incorporating burgers into their menus in February 2021, and we expect new BWW-GO Restaurants will also sell burgers. All of the Reporting Restaurants face the same kinds of competitive challenges (from chicken wing concepts, other restaurants and other foodservice operations), and receive the same level of support from us, that we expect new BWW-GO Restaurant franchisees will experience.

To calculate the weekly AUV for each group of restaurants, we first added the Gross Sales of the applicable restaurants for all of the full weeks (Monday through Sunday) either during the Measuring Period (for the Mature Restaurants) or that each particular restaurant has operated since the restaurant's grand opening (for the Reporting Restaurants), and then we divided that figure by the total number of weeks that were reported. Because the sales of wings are unusually high during Super Bowl week, and because there are a number of Reporting Restaurants that were open for Super Bowl week but not for the full 12-month period, we excluded Super Bowl week's Gross Sales from the calculations for the Reporting Restaurants. (We did not exclude Super Bowl week's Gross Sales from the calculations for the Mature Restaurants because those reflect a full year's results.) The figures for the median, highest and lowest weekly AUV reflect the median, highest and lowest of all of the reported weekly Gross Sales figures contained in the applicable group.

The term "Gross Sales" has the same meaning here as it does in Item 6, and includes the total revenues and receipts from the sale of all products, services and merchandise sold in or in relation to the restaurant, including fees or charges for any delivery, catering and other off-site activities and events, gaming activities, license and use fees, and implied or imputed Gross Sales from any business interruption insurance. However, Gross Sales excludes (1) sales taxes, use taxes, and similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; (2) any bona fide voids, refunds and credits that are actually provided to customers; and (3) the face value of coupons or discounts that customers redeem.

We calculated the figures in the table above using information that our affiliates provided. Prospective franchisees and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form. Upon your reasonable request, we will provide written substantiation for these financial performance representations.

These financial performance representations do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the AUV 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 BWW-GO Restaurant. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

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

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Vice President, Franchise Counsel, Lisa Storey, Esq. at Three Glenlake Parkway NE, Atlanta, Georgia 30328 or (678) 514-6928, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

All information in these tables is as of our fiscal year ends of January 2, 2022, January 3, 2021 and December 29, 2019.

**Table No. 1**  
**Systemwide Outlet Summary for Years 2019 to 2021**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start Of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised Outlets	2019	0	0	0
	2020	0	0	0
	2021	0	1	+1
Company-Owned	2019	0	0	0
	2020	0	1	+1
	2021	1	15	+14
Total Outlets	2019	0	0	0
	2020	0	1	+1
	2021	1	16	+15

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(Other than the Franchisor) for Years 2019 to 2021**

State	Year	Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

**Table No. 3**  
**Status of Franchised Outlets for Years 2019 to 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End Of the Year
Ohio	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1

**Table No. 4**  
**Status of Company-Owned Outlets for Years 2019 to 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	2	0	0	0	2
Colorado	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	3	0	0	0	3
Georgia	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2021	1	2	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
Texas	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	6	0	0	0	6
Total	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2021	1	14	0	0	0	15

**Table No. 5**  
**Projected Openings as of January 2, 2022**

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
California	0	0	4
Florida	0	2	0
Georgia	0	4	0
Illinois	0	0	6
Michigan	0	3	0
North Carolina	0	0	1
Ohio	0	3	0
Texas	0	0	4
Wisconsin	0	0	3
<b>Total</b>	<b>0</b>	<b>12</b>	<b>18</b>

As of January 2, 2022, we had no BWW-GO Restaurant franchisee has had an outlet terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntary ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No BWW-GO Restaurant franchisees have signed agreements with confidentiality clauses during the last 3 years. There are no trademark-specific franchisee organizations associated with the BWW-GO Restaurant franchise network.



**ITEM 21**  
**FINANCIAL STATEMENTS**

Exhibit B contains the audited consolidated financial statements of our Parent as of January 2, 2022 and for the fiscal year then ended. It also contains the audited consolidated financial statements of our Parent as of January 3, 2021 (Successor) and December 29, 2019 (Successor) and for the fiscal years ended January 3, 2021 (Successor) and December 29, 2019 (Successor), the Period from February 5, 2018 (date of acquisition) through December 30, 2018 (Successor) and the Period from January 1, 2018 through February 4, 2018 (Predecessor). Our Parent absolutely and unconditionally guarantees the performance of our obligations to franchisees under the Franchise Agreement and Area Development Agreement. The Guarantee of Performance is included in Exhibit B.

**ITEM 22**  
**CONTRACTS**

This Disclosure Document includes a sample of the following contracts:

- Exhibit C - Franchise Agreement
- Exhibit D - Area Development Agreement
- Exhibit G - Form Release Agreement
- Exhibit H - State-Specific Additional Disclosures and Agreement Riders

**ITEM 23**  
**RECEIPTS**

Attached to this disclosure document as Exhibit I is a detachable acknowledgment of receipt.

**EXHIBIT A**

**LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS**

**STATE AGENCIES/AGENTS  
FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

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 the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

**CALIFORNIA**

Commissioner of Department of Financial  
Protection & Innovation  
Department of Financial Protection &  
Innovation  
Toll Free: 1 (866) 275-2677

***Los Angeles***

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

***Sacramento***

2101 Arena Boulevard  
Sacramento, California 95834  
(866) 275-2677

***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 525-4233

***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94104-4428  
(415) 972-8559

**HAWAII**

(for service of process)

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

(for other matters)

Commissioner of Securities  
Department of Commerce  
and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

**ILLINOIS**

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

**INDIANA**

(for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

(state agency)

Indiana Secretary of State  
Securities Division  
Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**MARYLAND**

(for service of process)

Maryland Securities Commissioner  
at the Office of Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(state agency)

Office of the Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**MICHIGAN**

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 335-7567

**MINNESOTA**

Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

**NEW YORK**

(for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-0001  
(518) 473-2492

(Administrator)

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) 416-8236 (Phone)

**NORTH DAKOTA**

(for service of process)

Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Avenue, Suite 414  
Bismarck, North Dakota 58505  
(701) 328-4712

(state agency)

North Dakota Securities Department  
600 East Boulevard Avenue, Suite 414  
Bismarck, North Dakota 58505  
(701) 328-2910

**OREGON**

Oregon Division of Financial Regulation  
350 Winter Street NE, Suite 410  
Salem, Oregon 97301  
(503) 378-4140

**RHODE ISLAND**

Securities Division  
Department of Business Regulations  
1511 Pontiac Avenue  
John O. Pastore Complex-Building 69-1  
Cranston, Rhode Island 02920  
(401) 462-9500

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

**VIRGINIA**

(for service of process)

Clerk, State Corporation Commission  
1300 East Main Street  
First Floor  
Richmond, Virginia 23219  
(804) 371-9733

(for other matters)

State Corporation Commission  
Division of Securities and Retail Franchising  
Tyler Building, 9th Floor  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9051

**WASHINGTON**

(for service of process)

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

(for other matters)

Department of Financial Institutions  
Securities Division  
P. O. Box 9033  
Olympia, Washington 98501-9033  
(360) 902-8760

**WISCONSIN**

(for service of process)

Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-2139

(state administrator)

Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-9555

**EXHIBIT B**

**CONSOLIDATED FINANCIAL STATEMENTS**

# Buffalo Wild Wings, Inc. and Subsidiaries

(An Indirect Wholly-Owned Subsidiary of Inspire Brands, Inc.)

*Consolidated Financial Statements  
as of January 2, 2022 and for the Year Ended January 2, 2022 and  
Independent Auditors' Report*

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
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KPMG LLP  
Suite 2000  
303 Peachtree Street, N.E.  
Atlanta, GA 30308-3210

## **Independent Auditors' Report**

The Board of Directors and Stockholder  
Buffalo Wild Wings, Inc.:

### *Opinion*

We have audited the consolidated financial statements of Buffalo Wild Wings, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheet as of January 2, 2022, and the related consolidated statements of income, comprehensive income, stockholder's equity and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 2, 2022, and the results of its operations and its cash flows for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KPMG LLP*

Atlanta, Georgia  
March 25, 2022

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
(In thousands, except share data)

**January 2, 2022**

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 8,026
Accounts receivable, net	109,149
Inventories, net	16,091
Prepaid expenses and other current assets	13,126
<b>Total current assets</b>	<b>146,392</b>
Property and equipment, net	421,883
Goodwill	908,874
Intangible assets, net	1,539,834
Operating lease assets, net	443,808
Other assets	14,230
<b>Total assets</b>	<b>\$ 3,475,021</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Current liabilities:	
Current portion of long-term debt	\$ 3,560
Current operating lease liabilities	84,308
Accounts payable	53,131
Current portion of deferred revenue	12,703
Accrued expenses and other current liabilities	171,573
<b>Total current liabilities</b>	<b>325,275</b>
Long-term debt, net	17,863
Long-term operating lease liabilities	376,115
Deferred tax liabilities, net	349,459
Deferred revenue	9,369
Other liabilities	32,164
Commitments and contingencies (Note 11)	
Stockholder's equity:	
Common stock, \$0.01 par value; 1,000 authorized; 100 issued and outstanding as of January 2, 2022	—
Additional paid-in capital	2,543,947
Accumulated deficit	(178,597)
Accumulated other comprehensive loss	(678)
<b>Total Buffalo Wild Wings, Inc. and Subsidiaries stockholder's equity</b>	<b>2,364,672</b>
Noncontrolling interest	104
<b>Total stockholder's equity</b>	<b>2,364,776</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 3,475,021</b>

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF INCOME**  
(In thousands)

	<b>Year Ended January 2, 2022</b>
<b>Revenues:</b>	
Company-owned restaurant sales	\$ 2,063,456
Franchise fees and royalty revenues	87,460
Franchise contributions for advertising	77,203
Other revenues	14,304
Total revenues	2,242,423
<b>Costs and expenses:</b>	
Company-owned restaurant expenses	1,762,730
Franchise advertising expenses	82,759
Selling, general and administrative expenses	222,324
Depreciation and amortization	122,624
Impairment charges	10,571
Total costs and expenses	2,201,008
Other operating loss, net	(2,251)
Operating income	39,164
Interest expense	1,948
Other income, net	(4)
Income before income taxes	37,220
Income tax benefit	(6,087)
Net income	43,307
Net income attributable to noncontrolling interest	74
Net income attributable to Buffalo Wild Wings, Inc. and Subsidiaries	\$ 43,233

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(In thousands)

	<b>Year Ended January 2, 2022</b>
Net income	\$ 43,307
<b>Other comprehensive income:</b>	
Foreign currency translation adjustment, net of tax	50
Comprehensive income	\$ 43,357
Comprehensive income attributable to noncontrolling interest	74
Comprehensive income attributable to Buffalo Wild Wings, Inc. and Subsidiaries	\$ 43,283

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY**  
(In thousands, except share data)

	Capital Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Buffalo Wild Wings, Inc. Stockholder's Equity	Noncontrolling Interest	Total Stockholder's Equity
	Shares	Amount					
Balance at January 3, 2021	100	\$ 2,586,131	\$ (173,227)	\$ (728)	\$ 2,412,176	\$ (1,366)	\$ 2,410,810
Impact of change in accounting policy	—	—	(5,370)	—	(5,370)	—	(5,370)
Balance at January 3, 2021	100	\$ 2,586,131	\$ (178,597)	\$ (728)	\$ 2,406,806	\$ (1,366)	\$ 2,405,440
Net income	—	—	43,233	—	43,233	74	43,307
Other comprehensive income	—	—	—	50	50	—	50
Distributions to Parent, net	—	(42,184)	(41,457)	—	(83,641)	—	(83,641)
Other	—	—	(1,776)	—	(1,776)	1,396	(380)
Balance at January 2, 2022	100	\$ 2,543,947	\$ (178,597)	\$ (678)	\$ 2,364,672	\$ 104	\$ 2,364,776

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In thousands)

	<u>Year Ended</u> <u>January 2, 2022</u>
<b>Cash flows from operating activities:</b>	
Net income	\$ 43,307
<b>Adjustments to reconcile net income</b>	
to net cash provided by operating activities:	
Depreciation and amortization	122,624
Impairments	10,571
Loss on disposal of assets	2,319
Deferred income tax benefit	(6,528)
Provision for bad debt expense	2,174
Other, net	707
<b>Changes in operating assets and liabilities:</b>	
Accounts receivable, net	(36,126)
Inventories	(2,662)
Prepaid expenses and other current assets	723
Operating lease assets and lease liabilities, net	9,424
Accounts payable	8,068
Accrued expenses and other liabilities	(11,447)
Net cash provided by operating activities	<u>143,154</u>
<b>Cash flows from investing activities:</b>	
Capital expenditures	(55,829)
Proceeds from disposition of assets	1,164
Net cash used in investing activities	<u>(54,665)</u>
<b>Cash flows from financing activities:</b>	
Debt repayments	(2,883)
Distributions to Parent, net	(83,641)
Net cash used in financing activities	<u>(86,524)</u>
Net increase in cash and cash equivalents	1,965
Cash and cash equivalents at beginning of period	6,061
Cash and cash equivalents at end of period	<u>\$ 8,026</u>
<b>Supplemental disclosures of cash flow information:</b>	
Cash paid during the year for interest	<u>\$ 2,883</u>
<b>Supplemental disclosures of non-cash investing and financing activities:</b>	
Capital expenditures included in accounts payable	<u>\$ 8,592</u>

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. DESCRIPTION OF BUSINESS**

Buffalo Wild Wings, Inc. (collectively, with its subsidiaries, "BWW" or the "Company") is a wholly owned subsidiary of IRB Holding Corp. ("IRB" or "Parent") whose ultimate parent is Inspire Brands, Inc. ("Inspire"). BWW restaurants feature a variety of menu items, including buffalo-style chicken wings spun in signature sauces or signature seasonings.

The Company operates through Company-owned and franchised Buffalo Wild Wings® and Rusty Taco® restaurants. As of January 2, 2022, the Company had 693 Company-owned restaurants and 631 franchised restaurants for a total of 1,324 system-wide restaurants. Because the Company's restaurants and its franchised restaurants are generally located throughout the United States ("U.S."), it believes the risk of geographic concentration is not significant.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fiscal Year**

The Company's fiscal reporting periods consist of 52 or 53 weeks ending on the Sunday closest to December 31 are referred to herein as "the year ended January 2, 2022" or "2021." The year 2021 consisted of 52 weeks.

**Cash Equivalents**

All highly liquid investments with a maturity of three months or less when acquired are considered cash equivalents.

The Company believes that its vulnerability to risk concentrations in its cash equivalents is mitigated by its policies restricting the eligibility, credit quality and concentration limits for its placements in cash equivalents.

**Accounts Receivable, net**

Accounts receivable consists primarily of royalties and franchise fees due principally from franchisees, advertising dues, trade receivables, gift card receivables and credit card receivables. The Company monitors accounts receivable for delinquency and reserves for estimated losses for specific receivables that are not likely to be collected. In addition to allowances for specific receivables, the Company estimates a provision for bad debts based on historical experience. Account balances generally are charged against the allowance when the Company believes it is probable that the receivable will not be collected.

**Inventories**

The Company's inventories, consisting primarily of restaurant food items, are stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out method.

**Property and Equipment, net**

Property is stated at cost, including internal costs of employees to the extent such employees are dedicated to specific restaurant construction projects, less accumulated depreciation. Depreciation of property is computed principally on the straight-line basis using estimated useful lives of the related major classes of property. Estimated useful lives are 3 to 15 years for office and restaurant equipment, 3 to 5 years for transportation equipment and 7 to 25 years for site improvements. Finance lease assets and leasehold improvements are amortized and depreciated over the shorter of their estimated useful

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

lives or the terms of the respective leases, including periods covered by renewal options that the Company is reasonably assured of exercising.

**Goodwill**

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. The Company tests goodwill by reporting unit for impairment annually during the fourth quarter, or more frequently if events or changes in circumstances indicate that it may be impaired.

The Company first assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company performs a quantitative impairment test of goodwill. The Company estimates the fair value of the reporting unit using an income approach through a discounted cash flow analysis using unobservable inputs and relevant data from the guideline transaction approach and guideline public companies market approach. Significant assumptions and estimates used in determining fair value include future revenues and cash flows, terminal value, a discount rate that approximates the reporting unit's weighted average cost of capital and a selection of multiples for comparable publicly traded companies as guidelines for determining fair value under the market approach.

During 2021, the Company completed its impairment test for goodwill and no impairment was indicated.

**Indefinite-lived Intangibles and Other Long-lived Assets**

*Indefinite-lived Intangibles*

The Company reviews its indefinite-lived intangible asset for impairment at least annually during the fourth quarter and more frequently if events or changes in circumstances indicate that the carrying amount of the indefinite-lived intangible asset may not be recoverable. The Company first assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, the Company performs a quantitative impairment test. If such reviews indicate the intangible asset may not be recoverable, an impairment loss is recognized for the excess of the carrying amount over the fair value of the intangible asset.

The Company uses the relief from royalty method to determine the fair value of its trademark/tradename. Significant assumptions and estimates used in determining fair value include future revenues, the royalty rate, terminal value, and a discount rate.

During 2021, the Company completed its impairment test for its indefinite-lived intangible asset and no impairment was indicated.

*Long-lived assets*

Long-lived intangible assets are amortized on a straight-line basis using estimated useful lives of the related classes of intangible assets.

The Company reviews long-lived assets, including operating lease assets, property and equipment, and allocated intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. The asset groups are not recoverable if their carrying value is less than the undiscounted cash flows we expect to generate from such asset groups. If the asset groups are not deemed to be recoverable, impairment is measured based on the excess of their carrying value over their fair value.

For the purposes of impairment testing for our Company-owned restaurants, we review our long-lived assets of such individual restaurants (primarily property and equipment and operating lease assets) that we intend to continue operating for impairment whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. We evaluate the recoverability of these restaurant assets by comparing the estimated undiscounted future cash flows over the remaining useful life of the primary asset, which are based on our restaurant-specific assumptions, to the carrying value of such assets. For restaurant assets that may not be recoverable, an impairment loss is recognized for the excess of the carrying amount over the fair value. Fair value is an estimate of the price a market participant would pay for the restaurant and its related assets, including any operating lease assets, and is determined by discounting the estimated future cash flows of the restaurant, which include a deduction for royalties we would receive under a franchise agreement



**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

with terms substantially at market. The cash flows incorporate reasonable assumptions we believe a franchisee would make such as sales growth and margin improvement. The discount rate used in the fair value calculation is our estimate of the required rate of return that a franchisee would expect to receive when purchasing a similar restaurant and the related long-lived assets. The discount rate incorporates rates of returns for historical refranchising market transactions and is commensurate with the risks and uncertainty inherent in the forecasted cash flows.

Management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

For the year ended January 2, 2022, the Company recorded impairment charges of operating lease assets and other long-lived assets for our restaurants of \$10.6 million. The impairment charges were recorded within "Impairment charges" on the Company's consolidated statement of income.

### **Income Taxes**

The Company is included in the consolidated U.S. federal and certain state income tax returns of Inspire. The Company provides for U.S. federal income tax in accordance with a formal tax sharing agreement between Inspire and its subsidiaries (the "Tax Sharing Agreement"). By providing for taxes in accordance with the Tax Sharing Agreement, the Company has prepared its income tax provision under the pro rata method by recording the Company's relative contribution to the Inspire consolidated income tax provision. The Company makes tax payments directly to certain state governmental jurisdictions for only itself. Differences between the Company's income tax provision and cash flows attributable to income taxes pursuant to the provisions of the Company's Tax Sharing Agreement have been recognized as contributions from and distributions to Parent. Current amounts due from IRB or affiliates are included in "Accounts receivable, net."

The Company records income tax liabilities based on known obligations and estimates of potential obligations. A deferred tax asset or liability is recognized whenever there are (i) future tax effects from temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases or (ii) operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the years in which those differences are expected to be recovered or settled. Deferred tax assets related to U.S. federal and state attributes are measured based on the Company's relative contribution to the Inspire consolidated deferred tax assets in accordance with the Tax Sharing Agreement. When considered necessary, the Company records a valuation allowance to reduce the carrying amount of deferred tax assets if it is more likely than not that all or a portion of the assets will not be realized on the Inspire consolidated federal tax return.

The Company applies a recognition threshold and measurement attribute for consolidated financial statement recognition and measurement of potential tax benefits associated with tax positions taken or expected to be taken in the Company's income tax returns ("Uncertain Tax Positions"). The Company uses a two-step process when evaluating tax positions. The Company first determines if it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more likely than not recognition threshold is then measured for purposes of consolidated financial statement recognition as the largest amount of benefit that is greater than 50% likely of being realized once the position is considered effectively settled.

Interest and penalties accrued for Uncertain Tax Positions are charged to "Income tax benefit."

### **Foreign Currency**

The Company's reporting currency is the U.S. dollar, while the functional currency of its Canadian operations is the Canadian dollar. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. Revenues, costs and expenses and cash flows are translated using the average exchange rate for the period.

### **Revenue Recognition**

Revenue is recognized in accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*Company-owned restaurant sales*

“Company-owned restaurant sales” includes revenues recognized when the performance obligation is satisfied, which occurs upon delivery of food to the customer at Company-owned restaurants. “Company-owned restaurant sales” excludes sales taxes collected from the Company’s customers.

*Franchise fees and royalty revenues*

“Franchise fees and royalty revenues” include franchise fees and royalties. The rights and obligations governing franchised restaurants are set forth in the franchise agreement. The franchise agreement generally provides for a 10 to 20-year initial term subject to certain conditions. Prior to the end of the franchise term or as otherwise provided the Company, a franchisee may elect to renew the term of a franchise agreement, depending on contract terms if certain conditions are met.

Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Initial franchise fees are recorded within "Deferred revenue" on the Company's consolidated balance sheet when received and recognized as revenue over the contractual term of the franchise agreement, once a franchised restaurant is opened. Renewal franchise fees are recognized as revenue over the contractual term of the franchise agreement, once the license agreement is signed and the fee is paid. Franchise commitment fee deposits are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants.

*Franchise contributions for advertising*

"Franchise contributions for advertising" include contributions to advertising funds by franchisees that the Company's subsidiaries manage in the United States and certain foreign markets. The Company acts as a principal in the transactions entered into by the advertising funds and therefore consolidates based on the nature of the goods or services provided and/or our commitment to pay for advertising services in advance of the related franchisee contributions. Additionally, the advertising services provided to franchisees are highly interrelated with the franchise right and therefore not distinct. Franchisees remit to these consolidated advertising funds a percentage of restaurant sales as consideration for providing the advertising services. Contributions to advertising funds are generally due within the month after which the revenue was generated through sales of the franchised restaurant. Revenue related to these contributions is based on a percentage of restaurant sales and is recognized as earned.

**Advertising Costs**

Production costs of commercials are expensed in the fiscal period the advertising is first aired while the costs of programming and other advertising, promotion and marketing programs are expensed as incurred. Company-owned restaurants, consistent with franchisees, are required to make contributions to advertising funds. Contributions are based on a percentage of sales of Company-owned restaurants. These contributions as well as direct marketing costs we may incur outside of the advertising funds related to Company-owned restaurants are recorded within "Company-owned restaurant expenses." The Company-owned advertising expenses for the year ended January 2, 2022 were \$81.6 million. Advertising expenses as a result of our obligation to spend franchisee contributions to those funds are recorded as "Franchise advertising and other services expenses." Beginning in 2021, at the end of each fiscal year, additional advertising costs are accrued to the extent advertising revenues exceed the related advertising expense to-date, as the Company is obligated to expend such amounts on advertising. This policy has been retrospectively applied to 2020 and results in a decrease to "Total stockholder's equity" as of January 3, 2021 of \$5.4 million. This is reflected as an "Impact of change in accounting policy" in the Company's consolidated statement of stockholder's equity.

**Self-insurance**

The Company is self-insured, subject to certain insured stop-loss limits, for workers’ compensation, health care and general liability claims. The Company provides for its estimated cost to settle both known claims and claims incurred but not yet reported. Liabilities associated with these claims are estimated, in part, by considering the frequency and severity of historical claims, both specific to the Company, as well as industry-wide loss experience, and other actuarial assumptions. The Company estimates workers’ compensation and general liability obligations with the assistance of a third-party actuarial firm. Since there are many estimates and assumptions involved in estimating insurance liabilities, and in the case of workers’ compensation, a significant period of time before ultimate resolution of claims, differences between actual future

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
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events and prior estimates and assumptions could result in adjustments to these liabilities. Such amounts are included in “Accrued expenses and other current liabilities” and “Other liabilities.”

**Leases**

The Company evaluates the contracts it enters into to determine whether such contracts contain leases. A contract contains a lease if the contract conveys the right to control the use of identified property or equipment for a period of time in exchange for consideration. At commencement, contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee, or as an operating, sales type or direct financing lease where the Company is a lessor, based on their terms.

Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal and amendment, including, but not limited to, property values, market rents, property lives, discount rates and probable term, all of which can impact the classification of and accounting for the Company's leases. The amount of depreciation and amortization, interest and rent expense and income reported would vary if different estimates and assumptions were used.

*Operating Leases*

Operating lease assets and liabilities are recognized upon lease commencement. The Company recognizes operating lease liabilities equal to the future unpaid lease payments for non-cancelable operating leases having an initial lease term in excess of one year, discounted by the Company's incremental borrowing rate. As most leases do not provide an implicit discount rate, the Company's incremental secured borrowing rate is used based on the information available at commencement date, including the lease term and market data, in determining the present value of lease payments.

Minimum lease payments or receipts, including minimum scheduled rent increases, are recognized as rent expense where the Company is a lessee, or income where the Company is a lessor, as applicable, on a straight-line basis over the applicable lease terms. There is a period under certain lease agreements referred to as a rent holiday that generally begins on the possession date and ends on the rent commencement date. During a rent holiday, no cash rent payments are typically due under the terms of the lease; however, expense is recorded for that period on a straight-line basis. Certain leases contain provisions, referred to as contingent rent, that require additional rental payments based upon restaurant sales volume. Contingent rent is recognized each period as the liability is incurred or the asset is earned.

Lease cost for operating leases is recognized on a straight-line basis and includes the amortization of the ROU asset and interest expense related to the operating lease liability. Variable lease cost for operating leases includes contingent rent. Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheet. Lease costs are recorded in the consolidated statement of income based on the nature of the underlying lease as follows: (1) rental expense related to leases for Company-operated restaurants is recorded to “Company-owned restaurant expenses” and (2) rental expense related to leases for corporate offices and equipment is recorded to “Selling, general and administrative expenses.”

*Finance Leases*

Amounts of finance leases are recognized based on the present value of lease payments over the lease term. Lease cost for finance leases includes the amortization of the finance lease asset, which is amortized on a straight-line basis and recorded to “Depreciation and amortization,” and interest expense on the finance lease liability, which is calculated using the effective interest method and recorded to “Interest expense.” Finance lease assets are amortized over the shorter of their estimated useful lives or the terms of the respective leases, including periods covered by renewal options that the Company is reasonably assured of exercising.

*Policy elections*

Non-lease component - The Company has lease agreements with lease and non-lease components. The Company elected the practical expedient to not separate nonlease components from lease components for all classes of underlying assets.

**Fair Value Measurements**

The Company's financial instruments include cash, cash equivalents, accounts receivable, accounts payable and finance leases. The fair value of cash, cash equivalents, accounts receivable and accounts payable approximates book value due to their short-term nature. The carrying value of Goodwill and Indefinite-lived intangible assets are tested annually for

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

impairment or more frequently if an event occurs that indicates an impairment may have been incurred, using fair value measurements with unobservable inputs when a quantitative assessment is performed. Asset groups containing other long-lived assets are tested for impairment if an event occurs that indicates an impairment may have been incurred, using fair value measurements with unobservable inputs. The Company has not changed the valuation techniques used in measuring the fair value of any financial assets or liabilities during the current year.

For certain of the Company's assets and liabilities, valuation techniques under the accounting guidance related to fair value measurements are based on observable and unobservable inputs if a quantitative impairment testing approach is taken. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect the Company's market assumptions. These inputs are classified into the following hierarchy:

**Level 1 Inputs:** Quoted prices for identical assets or liabilities in active markets.

**Level 2 Inputs:** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

**Level 3 Inputs:** Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value require significant management judgment or estimation.

### **Contributions from and Distributions to Parent**

Contributions from and distributions to Parent principally result from transactions with the Parent conducted in accordance with Inspire's centralized cash management policy. Such amounts are not expected to be repaid. The Company presents contributions from and distributions to Parent on a net basis on the statement of stockholder's equity. The net distributions in a year are first recorded to "Retained earnings", if any, until the cumulative retained earnings balance is reduced to zero. Any remaining distributions in a year are then recorded to "Additional paid-in capital," if any, until the cumulative "Additional paid-in capital" balance is reduced to zero and are then subsequently recorded to "Accumulated deficit." The net contributions in a year are recorded to "Additional paid-in capital." The Company presents contributions from and distributions to Parent on a net basis as a financing activity on the statement of cash flows.

### **Immaterial Error Corrections to Previously Issued Financial Statements**

The Company identified immaterial errors related to impairment testing for Company-owned restaurants during the year ended January 3, 2021. During 2021, the Company reperformed all impairment assessments in accordance with ASC 360 for Company-owned restaurants, which indicated an overstatement of non-cash impairment charges for the associated asset groups in the prior year. The effects of such corrections resulted in an increase to "Total stockholder's equity" as of January 3, 2021 from \$2,402.9 million as previously reported to \$2,410.8 million as currently reflected in the the Company's consolidated statement of stockholder's equity.

### **Subsequent Events**

In preparing the consolidated financial statements, the Company has reviewed and considered all significant events occurring subsequent to January 2, 2022 and up until March 25, 2022, the date the consolidated financial statements were available to be issued.

### **New Accounting Pronouncements Not Yet Adopted**

#### *Credit Losses (ASU 2016-13)*

In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments - Credit Losses (Topic 326)*". This update requires measurement and recognition of expected versus incurred credit losses for financial assets held. The standard is effective for the Company prospectively in our first quarter of fiscal 2023 and any impact upon adoption will be reflected through a cumulative-effect adjustment to Accumulated deficit as of the beginning of 2023. The Company is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*Reference Rate Reform (ASU 2020-04)*

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (“ASU 2020-04”). In January 2021, the FASB clarified the scope of this guidance with the issuance of ASU 2021-01, *Reference Rate Reform: Scope*. ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP for contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate (“LIBOR”) or another reference rate if certain criteria are met. ASU 2020-04 may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is currently evaluating the potential effects of the adoption of ASU 2020-04.

**3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net as of January 2, 2022 consists of the following:

<i>(dollars in thousands)</i>	<b>2021</b>
Gift card receivables	\$ 34,036
Card receivables	19,195
Income taxes receivable	32,274
Other	23,778
Accounts receivable, gross	109,283
Allowance for doubtful accounts	(134)
Accounts receivable, net	<u>\$ 109,149</u>

**4. PROPERTY AND EQUIPMENT, NET**

Property and equipment as of January 2, 2022 consists of the following:

<i>(dollars in thousands)</i>	<b>2021</b>
<b>Owned:</b>	
Land	\$ 2,602
Buildings	2,466
Restaurant and other equipment	336,939
Leasehold improvements	502,703
Construction in progress	13,848
<b>Leased:</b>	
Finance lease assets	23,531
Total property and equipment, gross	882,089
Accumulated depreciation and amortization <sup>(a)</sup>	(460,206)
Total property and equipment, net	<u>\$ 421,883</u>

(a) Includes \$9.5 million of accumulated amortization related to finance lease assets as of January 2, 2022. Depreciation expense was \$113.9 million for the year ended January 2, 2022.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**5. INTANGIBLE ASSETS, NET**

The carrying value of the Company's intangible assets as of January 2, 2022 consists of the following:

<i>(dollars in thousands)</i>	Weighted-average useful life	2021			
		Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Charges	Net
Trademark/tradename	Indefinite	\$ 1,760,000	\$ —	\$ (250,000)	\$ 1,510,000
Computer software	1 - 7 years	34,371	(24,260)	—	10,111
Franchise agreements	10 - 20 years	9,000	(2,857)	—	6,143
Reacquired franchise rights	17 years	16,203	(2,623)	—	13,580
Intangible assets		<u>\$ 1,819,574</u>	<u>\$ (29,740)</u>	<u>\$ (250,000)</u>	<u>\$ 1,539,834</u>
<i>(dollars in thousands)</i>					<b>Total</b>
<b>Aggregate amortization expense:</b>					
<b>Actual for fiscal year:</b>					
2021					8,762
<b>Estimate for fiscal year:</b>					
2022					5,783
2023					4,567
2024					4,478
2025					3,557
2026					2,072
Thereafter					9,376
					<u>\$ 29,834</u>

**6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities as of January 2, 2022 consisted of the following:

<i>(dollars in thousands)</i>	2021
Gift card liability	\$ 76,971
Accrued payroll and incentive compensation	37,214
Other accrued taxes	15,759
Other	41,629
Accrued expenses and other current liabilities	<u>\$ 171,573</u>

**7. LEASES**

The Company is party as a lessee and/or lessor to various leases for restaurants and other property, including land and buildings, as well as leases for office equipment and automobiles. In addition, the Company has leased and subleased land and buildings to others.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Included in the Company's consolidated balance sheet were the following amounts related to operating and finance lease assets and lease liabilities (dollars in thousands):

Leases	Classification	2021
<b>Assets</b>		
Operating lease assets	Operating lease assets, net	\$ 443,808
Finance lease assets	Property and equipment, net	14,030
<b>Total leased assets</b>		<b>\$ 457,838</b>
<b>Liabilities</b>		
<b>Current</b>		
Operating	Current operating lease liabilities	\$ 84,308
Finance	Current portion of long-term debt	3,560
<b>Noncurrent</b>		
Operating	Long-term operating lease liabilities	376,115
Finance	Long-term debt, net	17,863
<b>Total lease liabilities</b>		<b>\$ 481,846</b>

(dollars in thousands)

Lease Cost	Classification	2021
Operating lease cost <sup>(a)</sup>	Company-owned restaurant expenses	\$ 107,972
Finance lease cost		
Amortization of leased assets	Depreciation and amortization	4,483
Interest on lease liabilities	Interest expense	1,963
Rental and sublease income	Rental income	(607)
Net lease cost		<u>\$ 113,811</u>

(a) Includes an immaterial amount classified as "Selling, general and administrative expenses." Additionally, includes short-term leases and variable lease costs, which are immaterial.

Future lease commitments to be paid and received by the Company as of January 2, 2022 are as follows:

(dollars in thousands)	Payments		Receipts	
	Operating	Finance	Operating	Net Leases
<b>Fiscal Year</b>				
2022	\$ 104,697	\$ 5,367	\$ (2,388)	\$ 107,676
2023	93,758	5,257	(2,124)	96,890
2024	82,093	4,577	(1,838)	84,833
2025	69,631	3,973	(1,199)	72,405
2026	53,666	2,817	(626)	55,857
Thereafter	143,388	8,067	(554)	150,902
Total	\$ 547,234	\$ 30,059	\$ (8,729)	\$ 568,563
Less interest	(86,811)	(8,636)		
Present value of lease liabilities	<u>\$ 460,423</u>	<u>\$ 21,423</u>		

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

<b>Lease Term and Discount Rate</b>	<b>2021</b>
Weighted-average remaining lease term (years)	
Operating leases	6.82
Finance leases	6.46
Weighted-average discount rate	
Operating leases	4.89 %
Finance leases	10.57 %

*(dollars in thousands)*

<b>Other Information</b>	<b>2021</b>
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 103,881
Operating cash flows from finance leases	\$ 1,902
Financing cash flows from finance leases	\$ 2,883
Supplemental non-cash information on lease liabilities arising from obtaining right-of-use assets:	
ROU assets obtained in exchange for new finance lease liabilities	\$ —
ROU assets obtained in exchange for new operating leases liabilities	\$ 53,477

## 8. REVENUE RECOGNITION

As of January 2, 2022, contract liabilities (deferred revenue included in current and long-term liabilities) were \$9.9 million. Deferred revenue primarily represents the Company's remaining performance obligations under its franchise and license agreements for which consideration has been received or is receivable and is generally recognized on a straight-line basis over the remaining term of the related agreement. The Company recognized \$1.1 million of revenues associated with prior year deferred franchise fees for the year ended January 2, 2022, offset by cash payments received or due in advance of satisfying our performance obligations.

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

<b>Fiscal Year <i>(dollars in thousands)</i></b>	<b>Total</b>
2022	\$ 1,043
2023	835
2024	790
2025	749
2026	682
Thereafter	5,773
Total	<u>\$ 9,872</u>

## 9. INCOME TAXES

Income (loss) before income taxes for the year ended January 2, 2022 is set forth below:

<i>(dollars in thousands)</i>	<b>Year Ended January 2, 2022</b>
Domestic	\$ 37,435
Foreign	(215)
Income before income taxes	<u>\$ 37,220</u>



**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Income tax expense / (benefit) is set forth below:

<i>(dollars in thousands)</i>	<b>Year Ended January 2, 2022</b>
Federal	\$ (5,019)
State	5,460
Current tax expense	441
Federal	(5,314)
State	(1,214)
Deferred tax benefit	(6,528)
Income tax benefit	<u>\$ (6,087)</u>

The Company's effective tax rate for the year ended January 2, 2022 was (16.4%). The income tax benefit differs from the amount computed by applying the federal income tax rate as follows:

<i>(dollars in thousands)</i>	<b>2021</b>
Income tax expense at the U.S. federal statutory rate	\$ 7,816
State income tax expense	3,442
U.S. federal tax credits	(12,146)
Prior year adjustments	(677)
Federal uncertain tax positions	(4,806)
Other	284
Total income tax benefit	<u>\$ (6,087)</u>

Deferred tax assets (liabilities) as of January 2, 2022 are set forth below:

<i>(dollars in thousands)</i>	<b>2021</b>
Deferred tax assets:	
Operating lease liabilities	\$ 115,052
Franchise rights	15,910
Net operating loss and tax credit carryforwards	11,346
Other	36,102
Gross deferred tax assets	178,410
Valuation allowance	(11,285)
Total deferred tax assets	167,125
Deferred tax liabilities:	
Intangible asset - trademark/trade name	(367,060)
Operating lease assets	(110,298)
Property and equipment	(28,711)
Other	(10,515)
Total deferred tax liabilities	(516,584)
Deferred tax liabilities, net	<u>\$ (349,459)</u>

Operating loss and tax credit carryforwards primarily consist of Canadian net operating losses, foreign tax credits, and net operating losses and credits related to various U.S. state jurisdictions that expire between 2022-2040. There is an immaterial amount of state net operating losses that have no expiration.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Changes in the valuation allowance on deferred tax assets for the year ended January 2, 2022 are set forth below:

<i>(dollars in thousands)</i>	<b>2021</b>
Beginning balance	\$ 11,844
Changes due to current year activity	(554)
Change in estimate recorded to deferred income tax expense	(5)
Ending balance	<u>\$ 11,285</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods for which the deferred tax assets are deductible, management believes, as of January 2, 2022, with the exception of certain state and foreign net operating loss and credit carryforwards for which valuation allowances have been recorded, it is more likely than not that the Company will realize the benefits of the deferred tax assets. During the year ended January 2, 2022, the valuation allowance decreased due to the expiration of certain state tax credits.

The U.S. federal income tax returns for all years ended through December 25, 2016 are settled. The U.S. federal income tax returns for the periods ended January 3, 2021, December 29, 2019, December 30, 2018 and and February 4, 2018 remain subject to examination. With limited exceptions, certain of the Company's state income tax returns from fiscal year 2013 forward remain subject to examination. Various state income tax returns are currently under examination.

**Uncertain Tax Positions**

As of January 2, 2022, the Company had unrecognized tax benefits of \$3.4 million, which if resolved favorably would reduce income tax expense by \$2.7 million.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<i>(dollars in thousands)</i>	<b>2021</b>
Beginning balance	\$ 6,700
Additions:	
Tax positions related to current year	848
Tax positions of prior years	87
Reductions:	
Tax positions of prior years	(19)
Lapse of statute of limitations	(4,240)
Ending balance	<u>\$ 3,376</u>

During the fiscal year ending January 1, 2023, the Company believes a reduction for an immaterial amount of unrecognized tax benefits is reasonably possible, primarily as a result of the expiration of statutes of limitations.

As of January 2, 2022, the Company had approximately \$0.9 million accrued for interest and penalties related to unrecognized tax benefits. During the year ended January 2, 2022, the Company reduced interest and penalties expense related to unrecognized tax benefits by \$1.4 million

**10. RETIREMENT BENEFIT PLAN**

The Company has a 401(k) defined contribution plan (the "401(k) Plan") in which all employees who meet certain minimum requirements may elect to participate. The 401(k) Plan permits employees to contribute pre-tax earnings, subject to certain limitations. The 401(k) Plan provides for employer matching contributions of up to 4% of eligible compensation. In connection with the matching contributions, the Company recorded expense of \$3.8 million for the year ended January 2, 2022.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**11. GUARANTEES AND OTHER COMMITMENTS AND CONTINGENCIES**

**Term Loans and Revolving Credit Facility Guarantee**

IRB entered into a credit agreement (the "IRB Credit Agreement") that provides for secured credit facilities, including the IRB Term Loan B Facility due February 2025, the IRB Term Loan B Facility due December 2027 (together the "IRB Term Loans") and a revolving credit facility (the "IRB Revolving Credit Facility") with revolving loans up to an aggregate maximum of \$490.0 million. The IRB Credit Agreement contains customary provisions relating to mandatory prepayments, voluntary prepayments, conditions to borrowings and issuances of letters of credit under the IRB Revolving Credit Facility, representations and warranties, affirmative covenants, negative covenants and events of default. All obligations under the IRB Credit Agreement are guaranteed by the Company and its subsidiaries through the maturity dates and secured by substantially all assets of the Company and its subsidiaries.

As of January 2, 2022, approximately \$5,056.7 million was outstanding under the IRB Term Loans. As of January 2, 2022, \$9.1 million of letters of credit were outstanding under the IRB Revolving Credit Facility. As of January 2, 2022, there was approximately \$480.9 million remaining capacity for future borrowings.

**IRB Senior Notes Guarantee**

IRB entered into indentures and issued notes (the "IRB Senior Notes") in 2018 (the "2018 Notes") and 2020 (the "2020 Notes") in an aggregate principal amount of \$485.0 million and \$750.0 million, respectively. The maturity dates of the 2018 Notes and 2020 Notes are February 2026 and June 2025, respectively. The 2018 Notes are senior unsecured obligations of IRB and effectively subordinated to all secured indebtedness of IRB. The 2020 Notes are senior secured obligations of IRB. The IRB Senior Notes are guaranteed by the Company. As of January 2, 2022, approximately \$1,235.0 million was outstanding under the IRB Senior Notes.

**Advertising Commitments**

The Company has purchase commitments related to the execution of its advertising strategies, including agency fees and media buy obligations. Because most media purchase commitments can be canceled within 90 days of scheduled broadcasts, the Company does not believe that these agreements have a significant impact on its operations.

**12. TRANSACTIONS WITH RELATED PARTIES**

Shared service costs from Inspire are directly incurred by and allocated to BWB based on revenues. For the year ended January 2, 2022, shared service costs were \$110.8 million and are included in "Selling, general and administrative expenses." As a result of these allocations, BWB's results of operations may not be indicative of those that would be achieved if they had operated on a stand-alone basis.

**13. LEGAL AND ENVIRONMENTAL MATTERS**

The Company is involved in various litigation and claims incidental to its business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

# Buffalo Wild Wings, Inc. and Subsidiaries

(An Indirect Wholly-Owned Subsidiary of Inspire Brands, Inc.)

*Consolidated Financial Statements*

*as of January 3, 2021 (Successor) and December 29, 2019*

*(Successor) and for the Years Ended January 3, 2021 (Successor) and*

*December 29, 2019 (Successor), the Period from February 5, 2018*

*(date of acquisition) through December 30, 2018 (Successor) and the*

*Period from January 1, 2018 through February 4, 2018*

*(Predecessor) and Independent Auditors' Report*

## BUFFALO WILD WINGS, INC. AND SUBSIDIARIES

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholder of  
Buffalo Wild Wings, Inc. and Subsidiaries  
Atlanta, Georgia

We have audited the accompanying consolidated financial statements of Buffalo Wild Wings, Inc. and subsidiaries (the "Company" and an indirect wholly-owned subsidiary of Inspire Brands, Inc.), which comprise the consolidated balance sheets as of January 3, 2021 (successor) and December 29, 2019 (successor), and the related consolidated statements of operations and comprehensive income (loss), stockholder's equity, and cash flows for the years ended January 3, 2021 (successor) and December 29, 2019 (successor), the period from February 5, 2018 through December 30, 2018 (successor), and the period from January 1, 2018 through February 4, 2018 (predecessor), and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 3, 2021 (successor) and December 29, 2019 (successor), and the results of its operations and its cash flows for the years ended January 3, 2021 (successor) and December 29, 2019 (successor), the period from February 5, 2018 through December 30, 2018 (successor), and the period from January 1, 2018 through February 4, 2018 (predecessor) in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matters

As discussed in Notes 1 and 3, the Company was acquired by IRB Holding Corp., an indirect wholly-owned subsidiary of Inspire Brands, Inc., on February 5, 2018. In accordance with the acquisition method of accounting, the Company's assets and liabilities have been adjusted to their estimated fair values as of the date of the acquisition. As a result, the Company's consolidated financial statements for the period prior to the date of acquisition (the predecessor period) are not comparable to the periods after the date of acquisition (the successor periods).

As discussed in Note 2 to the consolidated financial statements, effective December 30, 2019, the Company adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, and related subsequent amendments using the modified retrospective approach.

Our opinion is not modified with respect to these matters.

*Deloitte + Touche LLP*

March 25, 2021

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<b>Successor</b>	
	<b>January 3, 2021</b>	<b>December 29, 2019</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,061	\$ 12,010
Accounts receivable, net	75,197	87,968
Inventories	15,568	16,885
Prepaid expenses and other current assets	12,228	13,384
Total current assets	109,054	130,247
Properties and equipment, net	483,070	544,962
Goodwill	908,874	905,988
Intangible assets, net	1,545,568	1,833,877
Operating lease assets	462,427	—
Other assets	13,388	14,941
Total assets	<u>\$ 3,522,381</u>	<u>\$ 3,430,015</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 2,257	\$ 5,599
Current operating lease liabilities	82,236	—
Accounts payable	37,341	53,000
Accrued expenses and other current liabilities	176,326	157,111
Total current liabilities	298,160	215,710
Long-term debt	16,222	28,445
Long-term operating lease liabilities	400,255	—
Deferred tax liabilities	352,500	425,671
Other liabilities	52,367	80,132
Stockholder's equity:		
Other capital	2,586,131	2,681,807
Accumulated deficit	(181,198)	—
Accumulated other comprehensive loss	(690)	(633)
Total Buffalo Wild Wings, Inc. stockholder's equity	2,404,243	2,681,174
Noncontrolling interest	(1,366)	(1,117)
Total stockholder's equity	2,402,877	2,680,057
Total liabilities and stockholder's equity	<u>\$ 3,522,381</u>	<u>\$ 3,430,015</u>

See accompanying notes to consolidated financial statements.



**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands)

	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
<b>Revenues:</b>				
Company-owned restaurant revenues	\$ 1,693,698	\$ 1,937,195	\$ 1,706,626	\$ 185,618
Franchise and other revenues	145,712	148,829	144,030	15,392
Total revenues	<u>1,839,410</u>	<u>2,086,024</u>	<u>1,850,656</u>	<u>201,010</u>
<b>Costs and expenses:</b>				
Cost of sales (exclusive of depreciation and amortization shown separately below):				
Food and paper	513,314	571,024	485,853	54,811
Restaurant labor	496,920	579,704	534,393	59,161
Occupancy, advertising and other operating expenses	436,231	424,080	372,014	41,100
Total cost of sales	<u>1,446,465</u>	<u>1,574,808</u>	<u>1,392,260</u>	<u>155,072</u>
General and administrative	203,442	183,448	173,688	38,351
Franchise related advertising costs	49,460	50,633	65,711	2,011
Acquisition costs	—	—	—	35,281
Integration costs	—	13,376	17,373	6,397
Depreciation and amortization	127,159	138,035	133,061	14,937
Impairments	259,758	1,599	1,715	1,824
Other operating expense, net	7,282	4,708	3,526	462
Total costs and expenses	<u>2,093,566</u>	<u>1,966,607</u>	<u>1,787,334</u>	<u>254,335</u>
Operating income (loss)	<u>(254,156)</u>	<u>119,417</u>	<u>63,322</u>	<u>(53,325)</u>
Interest expense	2,005	2,431	3,173	3,455
Other expense (income), net	<u>(15)</u>	<u>206</u>	<u>193</u>	<u>3,849</u>
Income (loss) before income taxes	<u>(256,146)</u>	<u>116,780</u>	<u>59,956</u>	<u>(60,629)</u>
Income tax expense (benefit)	<u>(74,814)</u>	<u>25,675</u>	<u>209</u>	<u>(10,592)</u>
Net income (loss) including noncontrolling interest	<u>(181,332)</u>	<u>91,105</u>	<u>59,747</u>	<u>(50,037)</u>
Net loss attributable to noncontrolling interest	<u>(249)</u>	<u>(605)</u>	<u>(474)</u>	<u>(221)</u>
Net income (loss) attributable to Buffalo Wild Wings, Inc.	<u>\$ (181,083)</u>	<u>\$ 91,710</u>	<u>\$ 60,221</u>	<u>\$ (49,816)</u>

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In thousands)

	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
Net income (loss) including noncontrolling interest	(181,332)	91,105	59,747	(50,037)
<b>Other comprehensive income (loss):</b>				
Foreign currency translation adjustment, net of tax	(57)	136	(769)	107
Comprehensive income (loss) including noncontrolling interest	<u>\$ (181,389)</u>	<u>\$ 91,241</u>	<u>\$ 58,978</u>	<u>\$ (49,930)</u>
Comprehensive loss attributable to noncontrolling interest	<u>(249)</u>	<u>(605)</u>	<u>(474)</u>	<u>(221)</u>
Comprehensive income (loss) attributable to Buffalo Wild Wings, Inc.	<u>\$ (181,140)</u>	<u>\$ 91,846</u>	<u>\$ 59,452</u>	<u>\$ (49,709)</u>

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY**  
(In thousands, except share data)

	Other Capital		(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Total Buffalo Wild Wings, Inc. Stockholder's Equity	Noncontrolling Interest	Total Stockholder's Equity
	Shares	Amount					
<b>Predecessor</b>							
Balance at December 31, 2017	15,532,523	\$ 146,294	\$ 149,034	\$ (3,573)	\$ 291,755	\$ (834)	\$ 290,921
Net loss	—	—	(49,816)	—	(49,816)	(221)	(50,037)
Foreign currency translation adjustment	—	—	—	107	107	—	107
Adoption of accounting standard (Note 2)	—	—	(2,573)	—	(2,573)	—	(2,573)
Share-based compensation	—	24,650	—	—	24,650	—	24,650
Other	9,796	599	1,027	—	1,626	11	1,637
Balance at February 4, 2018	15,542,319	171,543	97,672	(3,466)	265,749	(1,044)	264,705
<b>Successor</b>							
Push down of Acquisition (Note 3)	100	2,468,808	—	—	2,468,808	—	2,468,808
Capital contribution from Parent (Note 3)	—	405,279	—	—	405,279	—	405,279
Net income	—	—	60,221	—	60,221	(474)	59,747
Foreign currency translation adjustment	—	—	—	(769)	(769)	—	(769)
Share-based compensation	—	597	—	—	597	—	597
Dividend paid	—	(196,073)	(59,092)	—	(255,165)	—	(255,165)
Non-cash contributions from Parent	—	82,583	—	—	82,583	—	82,583
Other	—	128	(1,129)	—	(1,001)	(50)	(1,051)
Balance at December 30, 2018	100	2,761,322	—	(769)	2,760,553	(524)	2,760,029
Net income	—	—	91,710	—	91,710	(605)	91,105
Foreign currency translation adjustment	—	—	—	136	136	—	136
Share-based compensation	—	2,032	—	—	2,032	—	2,032
Dividend paid	—	(81,547)	(91,710)	—	(173,257)	—	(173,257)
Other	—	—	—	—	—	12	12
Balance at December 29, 2019	100	2,681,807	—	(633)	2,681,174	(1,117)	2,680,057
Net loss	—	—	(181,083)	—	(181,083)	(249)	(181,332)
Foreign currency translation adjustment	—	—	—	(57)	(57)	—	(57)
Adoption of accounting standard (Note 2)	—	—	(3,997)	—	(3,997)	—	(3,997)
Share-based compensation	—	768	—	—	768	—	768
Dividend paid	—	(93,525)	—	—	(93,525)	—	(93,525)
Other	—	(2,919)	3,882	—	963	—	963
Balance at January 3, 2021	100	\$ 2,586,131	\$ (181,198)	\$ (690)	\$ 2,404,243	\$ (1,366)	\$ 2,402,877

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	<u>Successor</u>	<u>Successor</u>	<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
Cash flows from operating activities:				
Net income (loss) including noncontrolling interest	\$ (181,332)	\$ 91,105	\$ 59,747	\$ (50,037)
Adjustments to reconcile net income (loss) including noncontrolling interest to net cash provided by operating activities:				
Depreciation and amortization	127,159	138,035	133,061	14,937
Impairments	259,758	1,599	1,715	1,824
Loss on disposal of assets	3,418	4,708	3,526	462
Deferred income tax expense (benefit)	(71,345)	8,238	(2,766)	(16,405)
Share-based compensation	768	2,032	597	24,650
Non-cash rent expense, net	—	7,169	6,462	—
Other, net	3,633	8,889	2,302	6,734
Changes in operating assets and liabilities:				
Accounts and notes receivable	12,541	2,461	4,397	36,886
Inventories	2,223	(1,357)	2,918	(660)
Prepaid expenses and other current assets	1,495	47,565	(7,878)	81
Operating lease assets and lease liabilities, net	9,628	—	—	—
Accounts payable	(2,384)	2,635	(19,209)	(5,999)
Accrued expenses and other current liabilities	20,533	(25,531)	34,672	34,934
Net cash provided by operating activities	<u>186,095</u>	<u>287,548</u>	<u>219,544</u>	<u>47,407</u>
Cash flows from investing activities:				
Capital expenditures	(58,661)	(85,898)	(57,012)	(10,922)
Business acquisitions, net of cash acquired	(37,801)	(22,717)	(2,738)	—
Proceeds from disposition of assets	49	549	—	—
Net cash used in investing activities	<u>(96,413)</u>	<u>(108,066)</u>	<u>(59,750)</u>	<u>(10,922)</u>
Cash flows from financing activities:				
Debt repayments	(2,106)	(5,028)	(409,239)	(211)
Distribution to Parent	(93,525)	(173,257)	(255,165)	—
Proceeds from sale-leaseback financing transaction	—	2,733	—	—
Capital contributions from Parent	—	—	405,279	—
Net cash used in financing activities	<u>(95,631)</u>	<u>(175,552)</u>	<u>(259,125)</u>	<u>(211)</u>
Effect of exchange rate changes on cash and cash equivalents	—	—	(1)	—
Net increase (decrease) in cash and cash equivalents	(5,949)	3,930	(99,332)	36,274
Cash and cash equivalents at beginning of period	12,010	8,080	107,412	71,138
Cash and cash equivalents at end of period	<u>\$ 6,061</u>	<u>\$ 12,010</u>	<u>\$ 8,080</u>	<u>\$ 107,412</u>
Supplemental disclosures of cash flow information:				
Cash paid (refunds received) during the year for:				
Interest	<u>\$ 2,087</u>	<u>\$ 2,305</u>	<u>\$ 4,454</u>	<u>\$ 1,899</u>
Income taxes	<u>\$ (12,471)</u>	<u>\$ (242)</u>	<u>\$ 4,912</u>	<u>\$ 59</u>
Supplemental disclosures of non-cash investing and financing activities:				
Capital expenditures included in accounts payable	<u>\$ 5,619</u>	<u>\$ 12,623</u>	<u>\$ 8,128</u>	<u>\$ 8,549</u>
Assets acquired by capital lease	<u>\$ —</u>	<u>\$ 2,212</u>	<u>\$ 7,756</u>	<u>\$ 447</u>
Increase in asset retirement obligation	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 819</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, except share data)**

**1. DESCRIPTION OF BUSINESS**

Buffalo Wild Wings, Inc. (collectively, with its subsidiaries, “BWV” or the “Company”) is a wholly owned subsidiary of IRB Holding Corp. (“IRB”) whose ultimate parent is Inspire Brands, Inc. (“Inspire”).

On February 5, 2018, Inspire completed the acquisition of 100% of the outstanding shares of the Company’s common stock (the “Acquisition”). See Note 3 for further information on the Acquisition.

The Company operates through Company-owned and franchised Buffalo Wild Wings® and Rusty Taco® restaurants. As of January 3, 2021, the Company had 691 Company-owned restaurants and 620 franchised restaurants for a total of 1,311 system-wide restaurants. As of December 29, 2019, the Company had 655 Company-owned restaurants and 658 franchised restaurants for a total of 1,313 system-wide restaurants. Because the Company’s restaurants and its franchised restaurants are generally located throughout the United States (“U.S.”), it believes the risk of geographic concentration is not significant.

The Company believes its vulnerability to risk concentrations in its restaurants related to significant vendors is mitigated by the fact that there are other vendors who would be able to service its requirements. However, if a disruption of service from any of the Company’s main distributors was to occur, it could experience short-term increases in its costs while it adjusts distribution channels.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The accompanying consolidated financial statements, which include the Company’s accounts and the accounts of its wholly and majority-owned subsidiaries, have been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”). All intercompany balances and transactions have been eliminated in consolidation.

In preparing the consolidated financial statements, the Company has reviewed and considered all significant events occurring subsequent to January 3, 2021, and up until March 25, 2021, the date the consolidated financial statements were available to be issued.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fiscal Year**

As a result of the Acquisition, the Company presented the results for fiscal 2018 as two separate periods: (i) the period from February 5, 2018 through December 30, 2018 following the completion of the Acquisition (the “2018 Successor Period”) and (ii) the period from January 1, 2018 through February 4, 2018 which was prior to the completion of the Acquisition (the “2018 Predecessor Period”).

The Company’s fiscal reporting periods normally consist of 52 or 53 weeks ending on the last Sunday in December and are referred to herein as (1) “the year ended January 3, 2021” or “2020,” which consisted of 53 weeks, (2) “the year ended December 29, 2019” or “2019,” which consisted of 52 weeks, and (3) “the year ended December 30, 2018” or “2018,” which consisted of 52 weeks. In future years, the Company’s fiscal reporting periods will consist of 52 or 53 weeks ending on the Sunday closest to December 31.

**COVID-19**

Commencing in December 2019, the novel strain of coronavirus (“COVID-19”) began spreading throughout the world, including the first outbreak in the U.S. in February 2020. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. COVID-19 has disrupted and continues to significantly disrupt local, regional, and global economies and businesses. Because of the operating

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, except share data)**

restrictions, limitations on group gatherings, forced closures, and other consequences of the outbreak there have been significant disruptions in customer demand.

The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to us and the unknown future impacts of COVID-19 as of January 3, 2021 and through March 25, 2021. The accounting matters assessed included, but were not limited to, the carrying value of our goodwill, indefinite lived intangible assets, and other long-lived assets. Based on these assessments, in fiscal 2020, the Company recorded impairments on operating lease assets and other long-lived assets for our underperforming restaurants of \$7.7 million and an impairment charge to the Company's indefinite lived tradename of \$250 million. The extent to which the COVID-19 pandemic will continue to impact our business in the future is uncertain, but it could have a material impact on the Company's financial condition, results of operations, and cash flows if it continues for an extended period.

**Cash Equivalents**

All highly liquid investments with a maturity of three months or less when acquired are considered cash equivalents.

The Company believes that its vulnerability to risk concentrations in its cash equivalents is mitigated by its policies restricting the eligibility, credit quality and concentration limits for its placements in cash equivalents.

**Deferred Compensation**

The Company had funded a deferred compensation plan using trading assets in a marketable equity portfolio. These assets were classified as prepaid expenses and other current assets in the accompanying consolidated balance sheets. This portfolio was held to generate returns that seek to offset changes in liabilities related to the equity market risk of certain deferred compensation arrangements. Trading securities were stated at fair value, with gains or losses resulting from changes in market value recognized in deferred compensation expense included in "General and administrative expenses" and the recognition of investment income included in "Other expense (income), net" in the accompanying consolidated statements of operations. In January 2019, the Company's deferred compensation plan was settled and all assets were distributed to participants.

**Accounts Receivable, net**

Accounts receivable consist primarily of gift card receivables, credit card receivables and vendor allowances. The Company monitors accounts and notes receivable for delinquency and reserves for estimated losses for specific receivables that are not likely to be collected. In addition to allowances for specific receivables, the Company estimates a general provision for bad debts based on historical experience. Account balances generally are charged against the allowance when the Company believes it is probable that the receivable will not be collected.

**Inventories**

The Company's inventories, consisting primarily of restaurant food items, are stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out method.

**Properties and Equipment, net**

Properties are stated at cost, including internal costs of employees to the extent such employees are dedicated to specific restaurant construction projects, less accumulated depreciation. Depreciation of properties is computed principally on the straight-line basis using estimated useful lives of the related major classes of properties. Estimated useful lives are 2 to 8 years for furniture and equipment and 20 to 40 years for buildings. Capital lease assets and leasehold improvements are amortized and depreciated over the shorter of their estimated useful lives or the terms of the respective leases, including periods covered by renewal options that the Company is reasonably assured of exercising.

The Company reviews its properties for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or an asset group may not be recoverable. If such review indicates an asset or asset group may not be recoverable, an impairment loss is recognized for the excess of the carrying amount over the fair value of an asset or asset group to be held and used or over the fair value less cost to sell an asset or asset group to be sold. Asset groups are substantially comprised of the Company's individual restaurant properties.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, except share data)**

**Goodwill**

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. The Company tests goodwill for impairment annually during the fourth quarter, or more frequently if events or changes in circumstances indicate that it may be impaired.

The Company first assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company performs an impairment test of goodwill. The Company estimates the fair value of the reporting unit using an income approach through a discounted cash flow analysis using unobservable inputs (Level 3) and relevant data from guideline public companies market approach. Significant assumptions and estimates used in determining fair value include future revenues, operating costs, working capital changes, capital expenditures, a discount rate that approximates the Company's weighted average cost of capital and a selection of multiples for comparable companies. During the fiscal years 2020, 2019, and 2018, the Company completed its impairment test for goodwill and no impairment was indicated.

**Intangible Assets, net**

Definite lived intangible assets are amortized on the straight-line basis using estimated useful lives of the related classes of intangible assets. Estimated useful lives are the terms of the respective leases (including periods covered by renewal options that the Company is reasonably assured of exercising) for favorable leases, 3 to 5 years for costs of computer software, 10 to 20 years for franchise agreements and 17 years for reacquired franchise rights based upon the remaining contractual term of the related license. The trademark/trade name is not amortized as it is considered to have an indefinite useful life.

The Company reviews definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. The Company reviews indefinite lived intangible assets for impairment at least annually during the fourth quarter and more frequently if events or changes in circumstances indicate that the carrying amount of the non-amortizing intangible asset may not be recoverable. If such reviews indicate the intangible asset may not be recoverable, an impairment loss is recognized for the excess of the carrying amount over the fair value of the intangible asset.

In mid-March 2020, the outbreak of the COVID-19 pandemic prompted authorities in most jurisdictions where the Company operates to issue stay-at-home orders, leading to disruption to the Company's business, requiring the Company to close restaurant dining rooms and operate with only take-out and delivery orders. As a result of declining sales and the challenging environment for the restaurant industry, the Company determined that the consequences of the pandemic were indicators of potential impairment for its goodwill, indefinite-lived intangible assets, and other long-lived assets during the first fiscal quarter of 2020.

The Company performed an impairment assessment of its indefinite-lived trade name. Using Level 3 inputs, the Company used the relief from royalty method to determine the fair value of its trade name. Significant assumptions and estimates used in determining fair value include future revenues, the royalty rate, franchise attrition, brand maintenance expenses and a discount rate that approximates the Company's weighted average cost of capital. Based on the quantitative assessment performed during the first fiscal quarter of 2020, the Company determined that the fair value of the BWW trade name was less than its carrying value and recognized a non-cash impairment charge of \$250 million, equal to the excess of the trade name's carrying value above its fair value.

During the fourth quarter of fiscal year 2020 and during fiscal years 2019 and 2018, the Company completed its impairment test for non-amortizing intangible assets and no impairment was indicated. However, the fair value of the BWW trade name only exceeded its carrying value by a nominal amount (approximately 2.3%). Given the limited excess of the fair value over carrying value, this trade name is more sensitive to changes in assumptions regarding its fair value.

**Impairment or Disposal of Long-lived Assets**

The Company reviews other long-lived assets, including operating lease assets, property, plant, and equipment, and liquor licenses, for impairment whenever events or changes in circumstances indicate that the carrying amount of such an asset may not be recoverable. The assets are not recoverable if their carrying value is less than the undiscounted cash flows we expect to generate from such assets. If the assets are not deemed to be recoverable, impairment is measured based on the excess of their carrying value over their fair value.

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
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**(Dollars in thousands, except share data)**

For the purposes of impairment testing for our restaurants, we review our long-lived assets of such individual restaurants (primarily PP&E and operating lease assets) that we intend to continue operating as Company restaurants annually for impairment, or whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. We evaluate the recoverability of these restaurant assets by comparing the estimated undiscounted future cash flows, which are based on our entity-specific assumptions, to the carrying value of such assets. For restaurant assets that are not deemed to be recoverable, we write-down the impaired restaurant to zero. Fair value is an estimate of the price a franchisee would pay for the restaurant and its related assets, including any operating lease assets, and is determined by discounting the estimated future cash flows of the restaurant, which include a deduction for royalties we would receive under a franchise agreement with terms substantially at market. The cash flows incorporate reasonable assumptions we believe a franchisee would make such as sales growth and margin improvement. The discount rate used in the fair value calculation is our estimate of the required rate of return that a franchisee would expect to receive when purchasing a similar restaurant and the related long-lived assets. The discount rate incorporates rates of returns for historical franchising market transactions and is commensurate with the risks and uncertainty inherent in the forecasted cash flows. Any operating lease asset may alternatively be valued at the amount we could receive for such operating lease asset from a third-party that is not a franchisee through a sublease if doing so would result in less overall impairment of the restaurant assets in total.

Management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, sublease income and franchising proceeds. Accordingly, actual results could vary significantly from our estimates.

In fiscal 2020, the Company recorded impairment charges of operating lease assets and other long-lived assets for our restaurants of \$7.7 million. The impairment charges were recorded within "Impairments" on the Company's consolidated statements of operations.

For the fiscal years ended January 3, 2021 and December 29, 2019, the Company recorded a loss on disposal of assets of \$3.4 million and \$4.7 million, respectively. The loss on disposal of assets is recorded within "Other operating expense, net" on the Company's consolidated statement of operations.

#### **Other Assets**

Other assets consist primarily of liquor licenses. Liquor licenses are either amortized over their renewal period or, if transferable, are carried at the lower of fair value or cost. The Company identifies potential impairments for transferable liquor licenses by comparing the fair value with its carrying amount. If the fair value exceeds the carrying amount, the liquor licenses are not impaired. If the fair value of the asset is less than the carrying amount, an impairment is recorded. During fiscal 2020, the Company recorded an impairment charge of \$1.8 million. This charge is included within 'Impairments and loss on disposal of assets' on the Consolidated Statements of Operations. The carrying amount of the transferable liquor licenses not subject to amortization as of January 3, 2021 and December 29, 2019 was \$9.0 million and \$10.5 million, respectively.

#### **Share-Based Compensation**

Share-based compensation expense for all share-based compensation plans is measured at the grant date based on the estimated fair value of the award and is expensed ratably over the requisite service period of the award, except for awards that are subject to performance conditions, in which case compensation expense is recognized over the requisite service period to the extent achievement of the performance conditions is considered probable. Fair value of stock option awards is estimated using the Black-Scholes option pricing model. The Company accounts for forfeitures when they occur.

#### **Acquisition and Integration Related Costs**

Acquisition and integration related costs include, but are not limited to, transactions costs such as banking, advisory and other professional fees; along with costs incurred towards integration onto Inspire's shared service platform, termination of redundant positions and locations, employee transition costs, integration related professional fees and other post business combination expenses associated with integration activity.

#### **Income Taxes**

The Company is included in the consolidated U.S. federal and certain state income tax returns of Inspire. The Company provides for U.S. federal income tax on a separate return approach, as if the Company and the Company's subsidiaries file a hypothetical consolidated return separate from Inspire. Following the acquisition by Inspire, the Company provides for state taxes in accordance with a formal tax sharing agreement between Inspire and its subsidiaries ("Tax Sharing Agreement").

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The Company makes tax payments directly to certain state governmental jurisdictions for only itself. Differences between the Company's income tax provision and cash flows attributable to income taxes pursuant to the provisions of the Company's Tax Sharing Agreement have been recognized as capital contributions from, or dividends to, IRB. Current amounts due from IRB or affiliates are included in "Prepaid expenses and other current assets."

The Company records income tax liabilities based on known obligations and estimates of potential obligations. A deferred tax asset or liability is recognized whenever there are (i) future tax effects from temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases or (ii) operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the years in which those differences are expected to be recovered or settled. Deferred tax assets related to U.S. federal attributes are measured as if the Company and its subsidiaries file a hypothetical separate U.S. federal return. When considered necessary, the Company records a valuation allowance to reduce the carrying amount of deferred tax assets related to U.S. federal taxes if it is more likely than not that all or a portion of the assets will not be realized on the Company's hypothetical separate U.S. federal return. Deferred tax assets related to state tax attributes are measured in accordance with the Tax Sharing Agreement. The Company records a valuation allowance to reduce the carrying amount of deferred tax assets related to state taxes if it is more likely than not that all or a portion of the assets will not be realized when taking into account the Tax Sharing Agreement.

The Company applies a recognition threshold and measurement attribute for consolidated financial statement recognition and measurement of potential tax benefits associated with tax positions taken or expected to be taken in the Company's income tax returns ("Uncertain Tax Positions"). The Company uses a two-step process when evaluating tax positions. The Company first determines if it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more likely than not recognition threshold is then measured for purposes of consolidated financial statement recognition as the largest amount of benefit that is greater than 50% likely of being realized once the position is considered effectively settled.

Accrued interest and penalties related to income taxes that are expected to be paid within 12 months are included in "Accrued expenses and other current liabilities." Accrued interest and penalties related to income taxes that are not expected to be paid within 12 months are included in "Other liabilities." Interest and penalties accrued for Uncertain Tax Positions are charged to "Income tax expense."

### **Foreign Currency**

The Company's reporting currency is the U.S. dollar, while the functional currency of its Canadian operations is the Canadian dollar. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. Revenues, costs and expenses and cash flows are translated using the average exchange rate for the period.

### **Revenue Recognition**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," as amended by multiple updates to the standard. This update requires entities to recognize revenue in the way they expect to be entitled to receive it for the transfer of promised goods or services to customers.

The Company adopted ASU 2014-09 using the cumulative effect transition method on January 1, 2018, which was applied to those contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASU 2014-09, while prior period amounts were not adjusted and continue to be reported in accordance with our historic accounting. The Company recognized a net decrease to "Retained Earnings" of \$4.9 million as of January 1, 2018 as a result of the adoption.

"Company-owned restaurant revenues" includes revenues recognized upon delivery of food to the customer at Company-owned restaurants. "Company-owned restaurant revenues" excludes sales taxes collected from the Company's customers. Sales of gift cards are initially recorded as a current liability and recognized as revenue when the gift card is presented for the purchase of food by the customer.



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“Loyalty program” refers to the Blazin' Rewards<sup>®</sup> customer loyalty program. The program allows members to earn points when they make purchases at the Company's restaurants. The Company records the estimated selling price of points earned as a reduction of restaurant sales and establishes a liability within deferred revenue. The revenue associated with the points is recognized at redemption.

“Franchise and other revenues” includes royalties, franchise fees and advertising funds revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Initial franchise fees are recorded as deferred income when received and are recognized as revenue over the contractual term of the franchise agreement, once a franchised restaurant is opened. Renewal franchise fees are recognized as revenue over the contractual term of the franchise agreement, once the license agreement is signed and the fee is paid. Franchise commitment fee deposits are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants. Advertising funds revenue includes contributions to advertising funds by company owned restaurants and franchisees. Revenue related to these contributions is based on a percentage of restaurant sales and is recognized as earned.

### **Vendor Incentives**

The Company receives incentives from some of its vendors. These incentives are recognized as earned and are generally classified as a reduction of “Cost of Sales,” “Franchise related advertising costs” and “Occupancy, advertising and other operating expenses.”

### **Advertising Costs**

Contributions to the national advertising fund and other advertising cooperatives related to Company-owned restaurants are expensed as contributed and local advertising costs for Company-owned restaurants are expensed as incurred. Company advertising costs are included in “Occupancy, advertising and other operating expenses.” The Company's advertising expenses for the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period were \$62.9 million, \$65.3 million, \$58.7 million and \$6.2 million, respectively. Franchise advertising costs are included in “Franchise related advertising costs.”

### **Self-insurance**

The Company is self-insured, subject to certain insured stop-loss limits, for workers' compensation, health care and general liability claims. The Company provides for its estimated cost to settle both known claims and claims incurred but not yet reported. Liabilities associated with these claims are estimated, in part, by considering the frequency and severity of historical claims, both specific to the Company, as well as industry-wide loss experience, and other actuarial assumptions. The Company estimates workers' compensation and general liability obligations with the assistance of a third-party actuarial firm. Since there are many estimates and assumptions involved in estimating insurance liabilities, and in the case of workers' compensation, a significant period of time before ultimate resolution of claims, differences between actual future events and prior estimates and assumptions could result in adjustments to these liabilities. Such amounts are included in “Accrued expenses and other current liabilities” and “Other liabilities.”

### **Leases**

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)” (“ASC 842”) as amended by multiple updates to the standard. This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet and requires lessors to classify leases as a sales-type, direct financing or operating lease. The update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2021 with early adoption permitted.

At the beginning of 2020 the Company adopted ASC 842 using the modified retrospective approach and elected December 30, 2019 as the date of initial application. This approach allows the Company to apply the standard and related disclosures to the financial statements for the period of adoption and to apply the old guidance in the comparative periods.

The standard had a material effect on our consolidated balance sheets from the recognition of Right of Use (“ROU”) assets and lease liabilities related to operating leases and the derecognition of sale-leaseback assets and obligations.

The standard did not have a material impact on the Company's historical capital leases, which are presented as finance leases pursuant to ASC 842.

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*Financial Presentation*

Upon adoption, the Company recognized operating lease liabilities equal to the future minimum rentals for non-cancelable operating leases having an initial lease term in excess of one year, discounted by the Company's incremental borrowing rate at adoption. The initial ROU assets equal initial operating lease liabilities, adjusted for the balance of accrued rent, favorable/unfavorable leases, deferred straight-line rent, lease incentives and unamortized initial direct costs at the adoption date. Adoption of the new standard resulted in the recording of additional lease assets and lease liabilities of approximately \$429.1 million and \$441.9 million, respectively, as well as an adjustment to retained earnings of \$4.0 million, primarily resulting from the derecognition of sale-leaseback assets and obligations and impairing newly recognized ROU assets upon transition.

*Operating Leases*

For operating leases, minimum lease payments or receipts, including minimum scheduled rent increases, are recognized as rent expense where the Company is a lessee, or income where the Company is a lessor, as applicable, on a straight-line basis ("Straight-Line Rent") over the applicable lease terms. There is a period under certain lease agreements referred to as a rent holiday ("Rent Holiday") that generally begins on the possession date and ends on the rent commencement date. During a Rent Holiday, no cash rent payments are typically due under the terms of the lease; however, expense is recorded for that period on a straight-line basis. The excess of the Straight-Line Rent over the minimum rents paid is included in the ROU asset where the Company is a lessee. The excess of the Straight-Line Rent over the minimum rents received is recorded as a deferred lease asset and is included in "Other assets" where the Company is a lessor. Certain leases contain provisions, referred to as contingent rent ("Contingent Rent"), that require additional rental payments based upon restaurant sales volume. Contingent Rent is recognized each period as the liability is incurred or the asset is earned.

Lease cost for operating leases is recognized on a straight-line basis and includes the amortization of the ROU asset and interest expense related to the operating lease liability. Variable lease cost for operating leases includes Contingent Rent. Short-term lease cost for operating leases includes rental expense for leases with a term of less than 12 months. Lease costs are recorded in the consolidated statements of operations based on the nature of the underlying lease as follows: (1) rental expense related to leases for Company-operated restaurants is recorded to "Cost of sales," (2) rental expense for leased properties that are subsequently subleased to franchisees is recorded to "Other operating expense, net" and (3) rental expense related to leases for corporate offices and equipment is recorded to "General and administrative."

*Finance Leases*

Lease cost for finance leases includes the amortization of the finance lease asset, which is amortized on a straight-line basis and recorded to "Depreciation and amortization," and interest expense on the finance lease liability, which is calculated using the interest method and recorded to "Interest expense, net." Finance lease assets are amortized over the shorter of their estimated useful lives or the terms of the respective leases, including periods covered by renewal options that the Company is reasonably assured of exercising.

*Policy elections*

Determination of whether a contract contains a lease - The Company evaluates the contracts it enters into to determine whether such contracts contain leases. A contract contains a lease if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. At commencement, contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee, or as an operating, sales type or direct financing lease where the Company is a lessor, based on their terms.

Significant assumptions and judgments - Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal and amendment, including, but not limited to, property values, market rents, property lives, discount rates and probable term, all of which can impact (1) the classification and accounting for a lease or sublease as operating or finance, including sales-type and direct financing, (2) the Rent Holiday and escalations in payment that are taken into consideration when calculating Straight-Line Rent, (3) the term over which leasehold improvements for each restaurant are amortized and (4) the values and lives of adjustments to the initial ROU asset where the Company is the lessee, or favorable and unfavorable leases where the Company is the lessor. The amount of depreciation and amortization, interest and rent expense and income reported would vary if different estimates and assumptions were used.

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Practical Expedient Package - The Company has elected the following expedients and applied them consistently to leases as of the date of initial application of ASC 842:

- The Company will not revisit whether a contract is, or contains, a lease under the ASC 842 definition of a lease.
- Lease classification determined under prior guidance will not be reevaluated under ASC 842.
- Previously capitalized initial direct costs under prior guidance will be carried forward. Any initial direct costs after the effective date will be included within the ROU asset under ASC 842.

Non-lease component - The Company has lease agreements with lease and non-lease components. The Company elected a policy to account for lease and non-lease components separately for its offices and equipment leases.

Short-term lease - Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Discount rate - As most of the Company's leases do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

Renewal options - The Company evaluates the inclusion of renewal options on a lease by lease basis. In general, for new leases, the Company does not include renewal options in the underlying lease term.

### **Fair Value Measurements**

The Company's financial instruments include cash, cash equivalents, accounts receivable, accounts payable and long-term debt. The fair value of cash, cash equivalents, accounts receivable and accounts payable approximates book value due to their short-term nature. The carrying value of Goodwill, Intangible assets, net and Properties and equipment, net are tested annually for impairment or more frequently if an event occurs that indicates an impairment may have been incurred, using fair value measurements with unobservable inputs (Level 3). The Company has not changed the valuation techniques used in measuring the fair value of any financial assets or liabilities during the current year.

For certain of the Company's assets and liabilities, valuation techniques under the accounting guidance related to fair value measurements are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect the Company's market assumptions. These inputs are classified into the following hierarchy:

**Level 1 Inputs:** Quoted prices for identical assets or liabilities in active markets.

**Level 2 Inputs:** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

**Level 3 Inputs:** Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value require significant management judgment or estimation.

### **Dividends**

Dividends are first recorded to retained earnings, if any, until the cumulative retained earnings balance is reduced to zero. Any remaining dividends are then recorded to "Other capital," if any, until the cumulative "Other capital" balance is reduced to zero and subsequently recorded to "Retained earnings (Accumulated deficit)."

### **New Accounting Pronouncements Not Yet Adopted**

#### *Cloud Computing (ASU 2018-15)*

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract," which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement

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that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This update is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. The Company will apply prospective adoption of this standard at the beginning of fiscal 2021. The Company is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

*Credit Losses (ASU 2016-13)*

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326)." This update requires measurement and recognition of expected versus incurred credit losses for financial assets held. The standard is effective for the Company prospectively in our first quarter of fiscal 2023 and any impact upon adoption will be reflected through a cumulative-effect adjustment to Accumulated deficit as of the beginning of 2023. The Company is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

**3. ACQUISITION BY INSPIRE**

On February 5, 2018, Inspire completed the Acquisition of the Company. Total consideration in connection with the Acquisition for all outstanding equity and equity based awards of the Company was \$2,468.8 million plus the settlement of the Company's existing indebtedness (including accrued interest and fees) outstanding under the Company's revolving credit facility in the amount of approximately \$405.3 million, which was paid upon consummation of the Acquisition. Inspire accounted for the Acquisition using the acquisition method of accounting and has elected to apply push down accounting to the Company. As a result, the Company's financial statements for the periods prior to the Acquisition (the Predecessor periods) are not comparable to those for the periods after the Acquisition (the Successor periods). The net tangible and intangible assets acquired and liabilities assumed are pushed down to the Company based on their estimated fair values and along with components of the purchase price are summarized in the following table:

<i>(dollars in thousands)</i>	<b>Allocation</b>
Cash and cash equivalents	\$ 107,412
Accounts receivable	66,017
Other current assets	45,135
Properties and equipment	662,854
Goodwill	899,034
Intangible assets	1,845,556
Other assets	58,974
Accounts payable	(38,307)
Accrued expenses and other current liabilities	(250,818)
Capital lease and sale-leaseback obligations	(32,248)
Deferred tax liabilities	(420,133)
Other liabilities	(69,389)
<b>Net assets pushed down</b>	<b>\$ 2,874,087</b>

The purchase price allocation and related push down accounting resulted in goodwill of \$899.0 million, of which \$78.6 million is deductible for tax purposes. The values allocated to intangible assets and the weighted average useful lives are as follows:

<i>(dollars in thousands)</i>	<b>Carrying Amount</b>	<b>Weighted Average Useful Life (Years)</b>
Trademark / trade name	\$ 1,760,000	Indefinite
Favorable leases	62,056	6.4
Computer software	14,500	3.5
Franchise agreements	9,000	13.2
	<b>\$ 1,845,556</b>	

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**4. ACCOUNTS RECEIVABLE**

Accounts receivable as of January 3, 2021 and December 29, 2019 consist of the following:

<i>(dollars in thousands)</i>	<u>Successor</u>	
	<u>2020</u>	<u>2019</u>
Gift card receivables	\$ 27,846	\$ 34,934
Credit card receivables	20,105	23,465
Third-party delivery receivables	8,307	2,783
Other	19,408	26,881
Accounts receivable, gross	<u>75,666</u>	<u>88,063</u>
Allowance for doubtful accounts	(469)	(95)
Accounts receivable, net	<u>\$ 75,197</u>	<u>\$ 87,968</u>

**5. PROPERTIES AND EQUIPMENT, NET**

Properties and equipment as of January 3, 2021 and December 29, 2019 consist of the following:

<i>(dollars in thousands)</i>	<u>Successor</u>	
	<u>2020</u>	<u>2019</u>
<b>Owned:</b>		
Land	\$ 1,758	\$ 1,758
Leasehold improvements	502,213	444,345
Restaurant and other equipment	314,118	276,471
Buildings	—	822
<b>Leased:</b>		
Finance lease assets	<u>18,394</u>	<u>68,467</u>
Total	836,483	791,863
Accumulated depreciation and amortization <sup>(a)</sup>	<u>(353,413)</u>	<u>(246,901)</u>
Properties and equipment, net	<u>\$ 483,070</u>	<u>\$ 544,962</u>

Leased assets primarily include buildings, improvements and equipment.

Depreciation expense was \$118.7 million, \$130.8 million, \$123.0 million and \$13.7 million in the years ended January 3, 2021, December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period, respectively. Gains and losses on disposal of assets are included in "Other operating expense, net."

**6. GOODWILL AND INTANGIBLE ASSETS, NET**

Goodwill as of January 3, 2021 and December 29, 2019 consists of the following:

<i>(dollars in thousands)</i>	<u>Goodwill</u>
<b>Balance at December 30, 2018 (Successor)</b>	<u>\$ 899,939</u>
Franchisee restaurant acquisitions <sup>(a)</sup>	6,049
<b>Balance at December 29, 2019 (Successor)</b>	<u>\$ 905,988</u>
Franchisee restaurant acquisitions <sup>(b)</sup>	2,886
<b>Balance at January 3, 2021 (Successor)</b>	<u>\$ 908,874</u>

(a) In July 2019, the Company completed the acquisition of 9 franchised restaurants. The purchase price allocated for accounting purposes consisted of \$22.5 million, net of cash acquired. The assets acquired included primarily leasehold improvements, personal property and franchise rights.

(b) During 2020, the Company completed the acquisition of 39 franchised restaurants. The purchase price allocated for accounting purposes consisted of \$36.6 million, net of cash acquired. The assets acquired included primarily leasehold improvements, personal property and franchise rights.

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The carrying value of the Company's intangible assets as of January 3, 2021 and December 29, 2019 consists of the following:

	<u>2020</u>				<u>Successor</u>			<u>2019</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Impairment Charge</u> <sup>(a)</sup>	<u>Net</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
<i>(dollars in thousands)</i>										
Trademark/trade name	\$ 1,760,000	—	\$ (250,000)	\$ 1,510,000	1,760,000	—	1,760,000	1,760,000	—	1,760,000
Favorable leases <sup>(b)</sup>	—	—	—	—	62,152	(20,369)	41,783	62,152	(20,369)	41,783
Reacquired franchise rights	16,203	(886)	—	15,317	5,028	(5)	5,023	5,028	(5)	5,023
Computer software	31,348	(18,006)	—	13,342	30,577	(11,181)	19,396	30,577	(11,181)	19,396
Franchise agreements	9,000	(2,091)	—	6,909	9,000	(1,325)	7,675	9,000	(1,325)	7,675
Intangible assets	<u>\$ 1,816,551</u>	<u>\$ (20,983)</u>	<u>\$ (250,000)</u>	<u>\$ 1,545,568</u>	<u>\$ 1,866,757</u>	<u>\$ (32,880)</u>	<u>\$ 1,833,877</u>	<u>\$ 1,866,757</u>	<u>\$ (32,880)</u>	<u>\$ 1,833,877</u>

- (a) During the first fiscal quarter of 2020, a charge of \$250 million was recorded to reflect the impairment of value attributed to the indefinite-lived BWW trade name.
- (b) Upon adoption of ASC 842 in fiscal 2020, the Company reclassified the net book value of its favorable leases into its Operating lease assets on the Consolidated Balance Sheet.

<i>(dollars in thousands)</i>	<u>Total</u>
<b>Aggregate amortization expense:</b>	
<b>Actual for fiscal year:</b>	
2018 Predecessor Period	\$ 1,233
2018 Successor Period	10,066
2019 Successor	19,538
2020 Successor	8,508
<b>Estimate for fiscal year:</b>	
2021	7,348
2022	5,204
2023	3,726
2024	2,999
2025	1,771
Thereafter	14,520
	<u>\$ 35,568</u>

**7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities that exceeded five percent of total current liabilities (at the end of either fiscal year) as of January 3, 2021 and December 29, 2019 consisted of the following:

	<u>Successor</u>	
	<u>2020</u>	<u>2019</u>
<i>(dollars in thousands)</i>		
Gift card liability	\$ 66,906	\$ 71,229
Accrued payroll and incentive compensation	52,896	19,597
Accrued operating and income taxes	21,551	32,970
Accrued payables	21,422	21,298

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**8. LONG-TERM DEBT**

Outstanding debt as of January 3, 2021 and December 29, 2019 consists of following:

	<u>Successor</u>	
	<u>2020</u>	<u>2019</u>
<i>(dollars in thousands)</i>	<u>Amount</u>	<u>Amount</u>
Finance lease obligations (See Note 9)	\$ 18,479	\$ 34,044
Less amounts payable within one year	(2,257)	(5,599)
Long-term debt	<u>\$ 16,222</u>	<u>\$ 28,445</u>

**9. LEASES**

We lease certain restaurants, office space, and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet. For equipment and office space leases beginning in 2020 and later, we account for lease components (e.g., fixed payments including rent, real estate taxes and insurance costs) separately from the nonlease components (e.g., common-area maintenance costs).

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 25 years or more. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property, which impact the lease term when reasonably certain to be exercised. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Certain of our lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We rent or sublease certain real estate to third parties. Our income lease portfolio consists mainly of operating leases for restaurants with franchise operators.

<b>Leases</b>	<b>Classification</b>	<b>January 3, 2021</b>
<b>Assets</b>		
Operating lease assets	Operating lease assets	\$ 462,427
Finance lease assets	Properties and equipment	18,394
Total leased assets		480,821
<b>Liabilities</b>		
Current		
Operating	Current operating lease liabilities	82,236
Finance	Current portion of long-term debt	2,257
Noncurrent		
Operating	Long-term operating lease liabilities	400,255
Finance	Long-term debt	16,222
Total lease liabilities		\$ 500,970

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(dollars in thousands)

Lease Cost	Classification	January 3, 2021
Operating lease cost (a)	Cost of sales - occupancy, advertising and other	104,907
Finance lease cost		
Amortization of leased assets	Depreciation and amortization	3,122
Interest on lease liabilities	Interest expense	1,854
Sublease income, net	Other operating expense (income), net	(531)
Net lease cost		<u>109,352</u>

(a) Includes an immaterial amount classified as General and administrative. Additionally, includes short-term leases and variable lease costs, which are immaterial.

Future lease commitments to be paid and received by the Company as of January 3, 2021 are as follows:

(dollars in thousands)

Maturity of Lease liabilities as of January 3, 2021	Payments		Receipts	
	Operating Leases	Finance Leases	Subleases	Net Leases
2021	\$ 108,280	\$ 4,151	\$ (559)	\$ 111,872
2022	96,645	4,089	(761)	99,973
2023	83,337	3,972	(759)	86,550
2024	71,612	3,292	(648)	74,256
2025	59,112	2,687	(643)	61,156
Thereafter	<u>165,337</u>	<u>10,193</u>	<u>(1,149)</u>	<u>174,381</u>
Total Lease Payments	584,323	28,384	(4,519)	608,188
Less interest	<u>(96,041)</u>	<u>(9,905)</u>	<u>—</u>	<u>(105,946)</u>
Present value lease liabilities	<u>\$ 488,282</u>	<u>\$ 18,479</u>	<u>\$ (4,519)</u>	<u>\$ 502,242</u>

**Lease Term and Discount Rate**

**January 3, 2021**

Weighted-average remaining lease term (years)	
Operating leases	7
Finance leases	7.7
Weighted-average discount rate	
Operating leases	4.96
Finance leases	12.08

**Other Information**

**January 3, 2021**

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	103,175
Operating cash flows from finance leases	1,854
Financing cash flows from finance leases	2,363
Leased assets obtained in exchange for new finance lease liabilities	1,251
Leased assets obtained in exchange for new operating leases liabilities	60,154



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**10. FAIR VALUE**

The carrying amounts and estimated fair values of the Company's long-term debt and deferred compensation mutual funds as of January 3, 2021 and December 29, 2019 were as follows:

<i>(dollars in thousands)</i>		<u>Successor</u>			
		2020		2019	
	Fair Value Measurements	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Liabilities:</b>					
Finance lease obligations <sup>(a)</sup>	Level 2	\$ 18,479	\$ 23,271	\$ 34,044	\$ 38,264
Total financial liabilities		<u>\$ 18,479</u>	<u>\$ 23,271</u>	<u>\$ 34,044</u>	<u>\$ 38,264</u>

(a) As of January 3, 2021 and December 29, 2019, the fair values are determined by discounting the future scheduled principal payments using the Company's incremental borrowing rate, which was 5.25% and 5.25% to 6.25% as of January 3, 2021 and December 29, 2019, respectively. The Company's incremental borrowing rate was determined by calculations based on the interest rates on public debt securities issued by public companies with credit profiles similar to the Company's parent, IRB.

**11. REVENUE RECOGNITION**

**Nature of Goods and Services**

The Company generates revenues from sales at Company-operated restaurants and earns fees from franchised restaurants. The Company provides the use of trademarks, system, training, pre-opening assistance and restaurant operating assistance in exchange for area development fees, initial franchise fees and royalties based on a restaurant's sales.

An area development agreement establishes the number of restaurants that must be developed in a defined geographic area and the deadlines by which these restaurants must open. The area development agreement can be terminated by the Company if, among other reasons, the area developer fails to open restaurants on schedule. The Company's franchisees execute a separate franchise agreement for each restaurant opened, providing for a 10 to 20-year initial term. These agreements also include multiple extension terms of five or ten years, depending on contract terms if certain conditions are met.

The Company owns and leases sites from third parties. Noncancelable lease terms are generally initially between 10 and 15 years and, in most cases, provide for rent escalations and renewal options.

The Company assesses franchisees an advertising fee that ranged between 3.1% and 3.75% of their restaurant sales. U.S. franchisees were required to contribute 2.75% to 3.25% to the Company's National Advertising Fund (NAF) and the remainder, up to 0.5%, was required to be spent directly by the franchisee or through marketing co-ops in the applicable local market.

**Disaggregation of Revenue**

The following table disaggregates revenue by source:

<i>(dollars in thousands)</i>	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
Company-owned restaurant revenues	\$ 1,693,698	\$ 1,937,195	\$ 1,706,626	\$ 185,618
Franchise royalty revenue	74,459	94,090	85,977	9,282
Advertising funds revenue	59,656	52,684	57,064	6,004
Franchise fees and other revenue	11,597	2,055	989	106
Total revenues	<u>\$ 1,839,410</u>	<u>\$ 2,086,024</u>	<u>\$ 1,850,656</u>	<u>\$ 201,010</u>

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**Contract Liabilities**

The following tables provide information about contract liabilities (deferred franchise fees included in “accrued expenses and other current liabilities” and “other liabilities”) from contracts with customers and timing of revenue recognition related to the deferred franchise fees:

<i>(dollars in thousands)</i>		<b>Contract Liabilities</b>
<b>Balance at December 30, 2018 (Successor)</b>	\$	11,374
Revenue recognized during the period		(1,119)
New deferrals due to cash received and other		841
<b>Balance at December 29, 2019 (Successor)</b>	\$	11,096
Revenue recognized during the period		(1,520)
New deferrals due to cash received and other		483
<b>Balance at January 3, 2021 (Successor)</b>	\$	<u>10,059</u>

<b>Fiscal Year</b>	<b>Total</b>
2021	\$ 867
2022	857
2023	839
2024	807
2025	765
Thereafter	5,924
	<u>\$ 10,059</u>

**12. INCOME TAXES**

Income before income taxes for the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period is set forth below:

<i>(dollars in thousands)</i>	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	<u>Year Ended January 3, 2021</u>	<u>Year Ended December 29, 2019</u>	<u>February 5, 2018 through December 30, 2018</u>	<u>January 1, 2018 through February 4, 2018</u>
Domestic	\$ (256,376)	\$ 120,082	\$ 64,062	\$ (60,611)
Foreign	230	(3,302)	(4,106)	(18)
Income (loss) before income taxes	<u>\$ (256,146)</u>	<u>\$ 116,780</u>	<u>\$ 59,956</u>	<u>\$ (60,629)</u>

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Income tax expense (benefit) is set forth below:

<i>(dollars in thousands)</i>	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
U.S. federal	\$ (5,062)	\$ 11,834	\$ 103	\$ 3,986
State	1,251	4,836	2,377	1,780
Foreign	342	767	495	47
Current tax expense (benefit)	(3,469)	17,437	2,975	5,813
U.S. federal	(61,873)	3,467	(2,055)	(13,609)
State	(9,472)	4,771	(1,406)	(2,093)
Foreign	—	—	695	(703)
Deferred tax expense (benefit)	(71,345)	8,238	(2,766)	(16,405)
Income tax expense (benefit)	\$ (74,814)	\$ 25,675	\$ 209	\$ (10,592)

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made broad and complex changes to the U.S. federal tax code, including a permanent corporate rate reduction to 21% and a transition to a territorial international system effective in 2018.

The Tax Act enacted additional provisions that took effect in 2018, including, but not limited to, (1) a provision that imposes U.S. tax on certain foreign subsidiary income known as Global Intangible Low-Taxed Income, and (2) additional limitations on net operating loss carryforwards and tax deductions for expenses such as interest. We included the impact of each of the newly effective Tax Act provisions in our computation of 2018, 2019 and 2020 income tax expense.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The CARES Act includes, but is not limited to, tax law changes related to (1) accelerated depreciation deductions for qualified improvement property placed in service after September 27, 2017, (2) reduced limitation of interest deductions, and (3) temporary changes to the use and limitations of NOLs. As a result of the CARES Act, the Company recorded a discrete net income tax benefit of \$5.3 million in 2020.

Deferred tax assets (liabilities) as of January 3, 2021 and December 29, 2019 are set forth below:

<i>(dollars in thousands)</i>	<u>Successor</u>	
	2020	2019
Deferred tax assets:		
Net operating loss and tax credit carryforwards	\$ 16,100	\$ 11,652
Operating lease liabilities	120,861	—
Franchise rights	17,889	19,982
Other	39,232	22,021
Valuation allowance	(11,844)	(11,505)
Total deferred tax assets	182,238	42,150
Deferred tax liabilities:		
Intangible asset - trademark/trade name	(366,227)	(424,001)
Operating lease assets	(114,699)	—
Property, equipment and software	(43,491)	—
Owned and leased properties and related obligations	—	(28,888)
Other	(10,321)	(14,932)
Total deferred tax liabilities	(534,738)	(467,821)
Net deferred tax liability	\$ (352,500)	\$ (425,671)

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The gross amount and expiration dates of operating loss and tax credit carryforwards as of January 3, 2021 are set forth below:

<i>(dollars in thousands)</i>	<u>Successor</u>		<u>Expiration Date</u>
	<u>Amount</u>	<u>Valuation Allowance</u>	
U.S. federal general business credits	\$ 4,162	\$ —	2040
U.S. federal foreign tax credit	1,032	—	2023-2028
Canadian net operating losses	7,766	(7,766)	2030-2039
Various state net operating losses	953	(40)	2025-2040
Various state net operating losses	168	—	Indefinite
Various state credits	2,853	(1,536)	2022-2024
	<u>\$ 16,934</u>	<u>\$ (9,342)</u>	

Changes in the valuation allowance on deferred tax assets for the years ended January 3, 2021, December 29, 2019 and December 30, 2018 are set forth below:

<i>(dollars in thousands)</i>	<u>Successor</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 11,505	\$ 11,721	\$ 8,901
Additions due to acquisition	—	—	603
Changes due to current year activity	(34)	803	1,045
Adoption of ASC 842	433	—	—
Change in estimate recorded to deferred income tax expense	—	(1,071)	1,104
True-ups from changes in losses and credits	(60)	52	68
Ending balance	<u>\$ 11,844</u>	<u>\$ 11,505</u>	<u>\$ 11,721</u>

Management believes that it is more likely than not that the benefit from certain state and foreign net operating loss and credit carryforwards will expire unused and will not be realized. During the year ended January 3, 2021, the valuation

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allowance increased due to the adoption of ASC 842, offset by the provision estimates of foreign attributes. Management expects all U.S. federal credit carryforwards to be fully utilized before expiration.

The Company's effective tax rates for the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period were 29.2%, 22.0%, 0.3% and 17.5%, respectively. The provision for income taxes differs from the amount computed by applying the federal income tax rate as follows:

	<u>Successor</u>		<u>Successor</u>	<u>Predecessor</u>
	Year Ended January 3, 2021	Year Ended December 29, 2019	February 5, 2018 through December 30, 2018	January 1, 2018 through February 4, 2018
<i>(dollars in thousands)</i>				
Income tax (benefit) provision at the U.S. federal statutory rate	\$ (53,791)	\$ 24,524	\$ 12,591	\$ (12,732)
State income tax (benefit) expense, net of U.S. federal income tax effect	(6,483)	7,599	791	(201)
U. S. federal tax credits, net of U.S. federal income tax effect	(8,259)	(12,742)	(13,350)	(1,007)
Prior year adjustments	1,514	2,124	(2,757)	(433)
CARES Act	(5,299)	—	—	—
Tax Act impact	—	—	967	—
Non deductible transaction costs	—	—	—	2,436
Federal uncertain tax positions	452	2,733	343	1,305
Costs and taxes related to foreign operations	277	461	1,197	11
Other	(3,225)	976	427	29
Total income tax expense (benefit)	<u>\$ (74,814)</u>	<u>\$ 25,675</u>	<u>\$ 209</u>	<u>\$ (10,592)</u>

The U.S. federal income tax returns for all years ended through December 25, 2016 are settled. The U.S. federal income tax returns for the periods ended January 3, 2021, December 29, 2019, December 30, 2018, February 4, 2018, and December 31, 2017 remain subject to examination. With limited exceptions, certain of the Company's state income tax returns from fiscal year 2013 forward remain subject to examination. Various state income tax returns are currently under examination.

**Uncertain Tax Positions**

As of January 3, 2021 (Successor), December 29, 2019 (Successor), December 30, 2018 (Successor) and February 4, 2018 (Predecessor), the Company had unrecognized tax benefits of \$6.7 million, \$5.7 million, \$4.7 million and \$6.7 million,

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respectively, which if resolved favorably would reduce income tax expense by \$6.0 million, \$5.3 million, \$2.5 million and \$2.9 million, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<i>(dollars in thousands)</i>	<u>Successor</u> Year Ended January 3, 2021	<u>Successor</u> Year Ended December 29, 2019	<u>Successor</u> February 5, 2018 through December 30, 2018	<u>Predecessor</u> January 1, 2018 through February 4, 2018
Beginning balance	\$ 5,715	\$ 4,746	\$ 6,686	\$ 1,944
Additions:				
Tax positions related to current year	587	90	67	175
Tax positions of prior years	787	3,865	3	5,436
Reductions:				
Tax positions related to current year	(69)	(1,769)	(1,462)	—
Tax positions of prior years	—	—	(387)	(807)
Settlements	—	—	(25)	(62)
Lapse of statute of limitations	(320)	(1,217)	(136)	—
Ending balance	<u>\$ 6,700</u>	<u>\$ 5,715</u>	<u>\$ 4,746</u>	<u>\$ 6,686</u>

During the fiscal year ending January 2, 2022, the Company believes a reduction of unrecognized tax benefits by up to \$4.1 million is reasonably possible, primarily as a result of the expiration of statutes of limitations.

During the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period, the Company increased/(reduced) interest expense by \$0.2 million, \$0.1 million, \$0.2 million and \$0.3 million and related penalties by \$0.3 million, \$(0.0) million, \$0.2 million and \$0.7 million, respectively, related to Uncertain Tax Positions. As of January 3, 2021 and December 29, 2019, the Company had approximately \$1.1 million and \$0.8 million, respectively, accrued for interest and \$1.2 million and \$0.9 million, respectively, accrued for penalties related to Uncertain Tax Positions.

### 13. SHARE-BASED COMPENSATION

Certain of the Company's key employees and board members were previously granted awards under the Maverick's, Inc. 2014 Stock Option Plan and the ARG Investment Corporation 2011 Stock Option Plan. On December 2, 2019 ("Modification Date"), these plans were assumed by Inspire.

As a result, Inspire maintains three equity incentive plans:

- The Inspire Brands, Inc. 2016 Stock Option Plan ("2016 Plan"), formerly the Jimmy John's, LLC Plan;
- The Inspire Brands, Inc. 2014 Stock Option Plan ("2014 Plan"), formerly the Mavericks, Inc. 2014 Stock Option Plan; and
- The Inspire Brands, Inc. 2011 Stock Option Plan ("2011 Plan"), formerly the ARG Investment Corporation 2011 Stock Option Plan (collectively, the "Plans").

Under these Plans, and subject to the terms of the underlying awards, each option holder is awarded the right to purchase shares of Inspire common stock.

Additionally, at the Modification Date, Inspire modified the exercise price and number of previously granted options for the 2011 Plan, 2014 Plan, and 2016 Plan, solely as necessary to reflect changes in capitalization. As of the Modification Date and as of January 3, 2021 and December 29, 2019, there were no awards to the Company's employees under the 2016 Plan. Shares authorized under each Plan were also modified solely as necessary to reflect changes in capitalization.

Certain of the Company's key employees and board members have been granted awards under the 2011 Plan. There are 341,049 shares of Inspire common stock authorized for issuance under the 2011 Plan, and as of January 3, 2021, there were no remaining shares of Inspire common stock available for future awards. Stock options awarded under the 2011 Plan generally have a contractual term of 10 years and an exercise price equal to the estimated fair value of the underlying shares

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of common stock on the date of grant. Generally, each award vests upon the achievement of defined performance targets and/or in installments on defined anniversary dates over a service period of four years.

Certain of the Company's key employees and board members have been granted stock options under the 2014 Plan. There are 602,822 shares of Inspire common stock authorized for issuance under the 2014 Plan, and as of January 3, 2021, there were 76,139 remaining shares of Inspire common stock available for future awards. Stock options awarded under the 2014 Plan have a contractual term of 10 years and an exercise price equal to the estimated fair value of the underlying shares of common stock on the date of grant. Generally, each award vests upon the achievement of defined performance targets and/or in installments on defined anniversary dates over a service period of four years.

The following table summarizes share-based compensation activity under the Plans for the period ended January 3, 2021:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 29, 2019	33,946	332.98	
Granted	3,839	625.25	
Exercised	(2,261)	105.72	
Forfeited	(1,393)	436.47	
Cancelled	(935)	\$ 420.17	
Outstanding at January 3, 2021	33,196	375.47	6.7
Vested or expected to vest at January 3, 2021	33,196	\$ 375.47	6.7
Exercisable at January 3, 2021	23,000	\$ 298.20	5.8

For the years ended January 3, 2021 and December 29, 2019, and the 2018 Successor Period, the Company recorded \$0.8 million, \$1.0 million and \$0.6 million of compensation expense for stock option awards issued under the 2014 Plan, respectively. Such compensation expense is included in "General and administrative" and as "Additional paid-in capital." In addition, the Company recorded incremental expense of \$1.0 during the year ended December 29, 2019 related to the stock option modification on December 3, 2019. For the years ended January 3, 2021 and December 29, 2019, the weighted average grant-date fair value of options awarded was \$239 and \$310 per option, respectively. For the year ended December 30, 2018, the pre-modification weighted average grant-date fair value of options awarded was \$8,058 per option.

For the year ended January 3, 2021, Inspire received \$0.2 million from the exercise of stock options. The total intrinsic value of the shares exercised in 2020 was \$1.2 million. There were no options exercised in 2019 or during the 2018 Successor Period. For stock options issued and outstanding at January 3, 2021, the Company expects to recognize \$2.1 million of additional expense over the remaining weighted average service period of 1.9 years.

The determination of fair value was based on the following assumptions:

	2020	2019	2018
Risk-free rate	0.4% to 1.0%	1.8%	2.7% to 2.9%
Expected term	6.2 years	6.2 years	6 years
Expected volatility	35.3% to 39.6%	26.8%	34% to 35%
Dividend yield	0%	0%	0%

The risk-free interest rate assumption is based upon the grant date or modification date closing rate for U.S. Treasury notes that have a term approximating the expected term of the related options. The expected term is estimated to be between the latest date on which options vest and the contractual term. The expected volatility is based on the average historical volatility of similar companies in the Company's industry. The dividend yield assumption is based on the Company's expectation that it will not pay dividends for the foreseeable future.

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**14. RETIREMENT BENEFIT PLAN**

The Company has a 401(k) defined contribution plan (the “401(k) Plan”) in which all employees who meet certain minimum requirements may elect to participate. The 401(k) Plan permits employees to contribute pre-tax earnings, subject to certain limitations. The 401(k) Plan provides for employer matching contributions of up to 4% of eligible compensation. In connection with the matching contributions, the Company recorded expense of \$3.6 million, \$3.3 million, \$3.8 million and \$0.4 million for the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period, respectively.

The Company had a deferred compensation plan for its executive officers and certain other individuals are entitled to receive an amount equal to a percentage of their base salary ranging from 5.0% to 12.5% which is credited on a monthly basis to their deferred compensation account. There were no cash contributions during the year ended December 29, 2019. In January 2019, the Company’s deferred compensation plan was settled and all assets were distributed to participants.

**15. GUARANTEES AND OTHER COMMITMENTS AND CONTINGENCIES**

**Term Loans and Revolving Credit Facility Guarantee**

IRB entered into a credit agreement (the “IRB 2018 Credit Agreement”) that provides for secured credit facilities, which include Term Loan facilities (the "IRB Term Loans") and a revolving credit facility (the “IRB 2018 Revolving Credit Facility”) with revolving loans up to an aggregate maximum of \$250 million.

During the first fiscal quarter of 2020, the Company entered into an amendment (the “Second Amendment”) to the IRB 2018 Credit Agreement under which the Applicable Margin for the Term Loan B Facility and the IRB 2018 Revolving Credit Facility has been reduced by 50 basis points, from 3.25% to 2.75%. The remaining provisions of the IRB Credit Agreement remain substantially unchanged, including the outstanding principal amount as of the Second Amendment closing date and the maturity date of February 5, 2025.

In conjunction with the acquisition of Dunkin Brands Group, Inc. during fiscal year 2020, IRB entered into an incremental Term Loan B facility of \$2.6 billion and increased the capacity on the IRB 2018 Revolving Credit Facility to an aggregate maximum of \$490 million. The IRB 2018 Revolving Credit Facility is available until December 15, 2025.

The following table summarizes the borrowings outstanding under the IRB 2018 Credit Agreement as of January 3, 2021 and December 29, 2019:

<i>(dollars in thousands)</i>	Issuance Date	Maturity Date	2020		2019	
			Outstanding Principal	Effective Interest Rate <sup>(c)</sup>	Outstanding Principal	Effective Interest Rate <sup>(c)</sup>
Term Loan B Facility <sup>(a)(c)</sup>	February 2018	February 2025	\$ 2,533,509.00	4.26 %	\$ 2,566,073.00	5.00 %
Term Loan B Facility <sup>(b)(c)</sup>	December 2020	December 2027	2,575,000.00	4.77 %	—	—
<b>Total IRB Term Loans</b>			<b>\$ 5,108,509.00</b>		<b>\$ 2,566,073.00</b>	
Revolving Credit Facility	February 2018	February 2025	\$ 150,000.00	(c)	\$ 140,000.00	(c)

- (a) The principal amount of the term loan amortizes in quarterly installments equal to 0.25% of the original principal amount through December 31, 2024, with the remaining balance payable on February 5, 2025.
- (b) The principal amount of the new Term Loan amortizes in quarterly installments equal to 0.25% of the original principal amount through September 30, 2027, with the remaining balance payable on December 15, 2027.
- (c) The IRB Term Loans and borrowings under the 2018 Revolving Credit Facility bear interest at either (1) 2.25% plus the greater of (a) the Federal Funds Effective Rate plus 0.50%, (b) the Prime Rate, (c) the monthly Adjusted London InterBank Offered Rate (“Adjusted LIBOR”) applicable to dollar borrowings, plus 1.00%, or (2) 3.25% plus the greater of (a) LIBOR divided by one minus the statutory reserves applicable to Eurocurrency borrowing, (b) 1.0%.

The 2018 Credit Agreement contains customary provisions relating to mandatory prepayments, voluntary prepayments, conditions to borrowings and issuances of letters of credit under the 2018 Revolving Credit Facility, representations and warranties, affirmative covenants, negative covenants and events of default. All obligations under the 2018 Credit Agreement are guaranteed by the Company and its subsidiaries and secured by substantially all assets of the Company and its subsidiaries.



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**IRB Senior Notes Guarantee**

IRB entered into an indenture and issued notes in an aggregate principal amount of \$485.0 million (the “2018 Notes”), which have a 6.75% fixed rate. Interest payments on the 2018 Notes are payable semi-annually in arrears on April 15 and October 15 of each year, which commenced on October 15, 2018. The maturity date of the 2018 Notes is February 15, 2026.

The 2018 Notes are senior unsecured obligations of IRB and effectively subordinated to all secured indebtedness of IRB. The 2018 Notes are guaranteed, on a senior unsecured basis, by the Company.

During 2020, IRB entered into an indenture and issued notes in an aggregate principal amount of \$750 million (the “2020 Notes”), which have a 7.0% fixed rate. Interest payments on the 2020 Notes are payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 15, 2020. The maturity date of the 2020 Notes is June 15, 2025.

The 2020 Notes are senior secured obligations of IRB. The 2020 Notes are guaranteed, on a senior secured basis, by the Company.

**Contingent Liabilities**

The Company is self-insured for most workers’ compensation and general liability claims subject to self-insured retention limits of \$0.5 million and \$1.3 million per occurrence, respectively, and determines its liabilities for claims incurred but not reported on an actuarial basis. The Company is self-insured for health care claims, subject to a self-insured retention limit of \$0.5 million per claim per calendar year accumulation of claims per member for eligible participating employees subject to certain deductibles and limitations, and determines its liability for health care claims incurred but not reported based on historical claims data.

**Purchase Commitments**

*Beverage Agreements*

Beverage purchases the Company made under various agreements for the years ended January 3, 2021 and December 29, 2019, the 2018 Successor Period and the 2018 Predecessor Period were \$6.9 million, \$10.5 million, \$9.5 million and \$1.1 million, respectively. The Company’s average annual purchases under these agreements are estimated to be \$10.0 million over the next year. Based on current prices and the current ratio of sales at Company-owned restaurants to franchised restaurants, the Company’s total remaining beverage purchase commitment is estimated to be \$10.7 million over the remaining life of the contracts.

*Advertising Commitments*

The Company had purchase commitments of \$1.5 million at January 3, 2021 related to execution of its advertising strategy, including agency fees and media buy obligations for fiscal 2021. Because most media purchase commitments can be canceled within 30 days of scheduled broadcast and the agency service agreement can be terminated within 90 days, the Company does not believe that termination of these agreements would have a significant impact on its operations.

**16. TRANSACTIONS WITH RELATED PARTIES**

During fiscal 2018, Inspire established a shared service center. As a result, shared service costs from that date have been directly incurred by Inspire and were allocated to BWB based on budgeted revenues. Shared service costs of \$90.8 million, \$95.0 million and \$88.0 million for the years ended January 3, 2021, December 29, 2019 and the 2018 Successor Period are included in “General and administrative”, respectively. As a result of these allocations, BWB’s results of operations may not be indicative of those that would be achieved if they had operated on a stand-alone basis. In addition, during the years ended January 3, 2021 and December 29, 2019, the Company paid cash dividends to Inspire of \$93.5 million and \$91.7 million, respectively.

**17. LEGAL AND ENVIRONMENTAL MATTERS**

The Company is involved in various litigation and claims incidental to its business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance

**BUFFALO WILD WINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, except share data)**

coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

## **GUARANTEE OF PERFORMANCE**

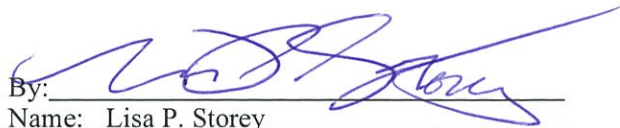
## GUARANTEE OF PERFORMANCE

For value received, **Buffalo Wild Wings, Inc.**, a Minnesota corporation (the "Guarantor"), located at Three Glenlake Parkway NE, Atlanta, Georgia 30328, absolutely and unconditionally guarantees to assume the duties and obligations of **Buffalo Wild Wings International, Inc.**, located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its **2022** Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Atlanta, Georgia, on this 23<sup>rd</sup> day of March 2022.

**GUARANTOR:**

**BUFFALO WILD WINGS, INC.**

By:   
Name: Lisa P. Storey  
Title: Vice President, Franchise Counsel

**EXHIBIT C**  
**FRANCHISE AGREEMENT**

**Buffalo Wild Wings GO® Restaurant  
Franchise Agreement**

**between**

**Buffalo Wild Wings International, Inc.  
Three Glenlake Parkway NE  
Atlanta, GA 30328**

**and**

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Name of Franchisee(s)

---

Street Address

---

City    State    Zip Code

---

Phone Number

**Authorized Location:**

---

Street

---

City    State    Zip Code

**Effective Date:**

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(To be completed by us)

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## BUFFALO WILD WINGS-GO RESTAURANT

### FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is made as of the Effective Date listed on the cover page to this Agreement (the “Effective Date”) between BUFFALO WILD WINGS INTERNATIONAL, INC., an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we” or “us”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you”).

#### RECITALS

A. Our parent company has developed a system for developing and operating restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption, operate under the System (defined below), and are primarily identified by the Buffalo Wild Wings GO® brand and/or other Trademarks (defined below) (“BWW-GO Restaurants”);

B. Many of the food and beverage products that BWW-GO Restaurants offer and sell are prepared according to specified recipes and procedures, some of which include proprietary sauces and mixes;

C. Our parent company owns the BUFFALO WILD WINGS® and BUFFALO WILD WINGS GO® Trademarks and other trademarks used in connection with the operation of a BWW-GO Restaurant;

D. Our parent company has granted to us the right to sublicense the right to develop and operate BWW-GO Restaurants; and

E. You desire to develop and operate a BWW-GO Restaurant and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

#### DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “Control Person” means the individual whom we approve who (i) has the authority under your (and/or your direct and indirect parent company’s) organizational documents to authorize a merger, liquidation, dissolution or transfer of substantially all of your assets and otherwise to direct and control your management and policies without the vote or consent of any other person or entity; (ii) actively directs your business affairs in regard to the Restaurant and is responsible for overseeing the general management of the day-to-day operations of the Restaurant; and (iii) has authority to sign on your behalf on all contracts and commercial documents. The Control Person as of the Effective Date is identified on the Ownership and Management Appendix attached to this Agreement as Appendix A.

B. “Competitive Business” means any restaurant or other foodservice business (whether or not operating from a retail location) that generates, or is reasonably expected to generate, at least ten percent (10%) of its revenue during any six (6)-month period from the sale of chicken wings, chicken tenders or other chicken pieces, whether at wholesale or retail, other than



a BWW-GO Restaurant or a Buffalo Wild Wings® sports bar operated under an effective franchise agreement with us.

C. “Gross Sales” includes the total revenues and receipts from the sale of all products, services and merchandise directly or indirectly sold in or in relation to your Restaurant, including fees or charges for any delivery, catering and other off-site activities and events, gaming activities, license and use fees, and implied or imputed Gross Sales from any business interruption insurance. However, Gross Sales excludes (1) sales taxes, use taxes, and other similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; (2) any bona fide voids, refunds and credits that are actually provided to customers; and (3) the face value of coupons or discounts that customers redeem. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which such charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. Amounts paid by gift certificate, gift card, stored value card or similar program are included in Gross Sales when the gift certificate, other instrument or applicable credit is redeemed.

D. “Menu Items” means the chicken wings, chicken tenders and other products and beverages prepared according to our specified recipes and procedures, as we may modify and change them from time to time, that we periodically authorize for sale at your Restaurant.

E. “Owner” means, if you are a corporation, limited liability company, partnership or other business entity, any individual or entity holding a direct or indirect ownership or other equity interest in you (whether of record, beneficially, or otherwise), whether directly or through one or more intermediary entities, including any interest that allows the holder of that interest (whether directly or indirectly) to direct or participate in the direction of the management of you or the Restaurant (such as a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, you or the Restaurant.

F. “Principal Owner” means any Owner who, now or hereafter, directly or indirectly owns a ten percent (10%) or greater interest in you (where you are a corporation, limited liability company, partnership or other business entity). However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any individual or entity who directly or indirectly owns less than a ten percent (10%) interest in you, we have the right to designate that person or entity as a Principal Owner for all purposes under this Agreement. In addition, if you are a partnership entity, then each person or entity who now or hereafter is or becomes a general partner is a Principal Owner, regardless of the percentage ownership interest. If you are a limited liability company, then each person or entity who now or hereafter is or becomes a manager or managing member is a Principal Owner, regardless of the percentage ownership interest (if any). If you sign this Agreement as one or more individuals, each individual is a Principal Owner. You must have at least one Principal Owner. Your Principal Owner(s) as of the Effective Date are identified on the Ownership and Management Appendix attached to this Agreement. Every time there is a change in the persons who are your Principal Owners, then without limiting our rights and your other obligations, you must, within ten (10) days after the date of each such change, update the Ownership and Management Appendix. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

G. “Restaurant” means the BWW-GO Restaurant you develop and operate at the authorized location pursuant to this Agreement.

H. “Restricted Persons” means, individually and collectively, you, your affiliates, your Control Person, all Principal Owners, all of your guarantors, officers and directors, and all of your Owners.

I. “System” means the Buffalo Wild Wings GO® Restaurant franchise system, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with distinctive storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials, and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures, together with sales promotion programs, all of which we may modify and change from time to time.

J. “Trade Dress” means the designs, color schemes, image and other elements of trade dress that we authorize you to use in the operation of the Restaurant from time to time, as we may periodically modify them.

K. “Trademarks” means the Buffalo Wild Wings GO® trademark and service mark and other trademarks, service marks, trade names and logos, as we may modify and change them from time to time, and the Trade Dress and other commercial symbols used in the operation of the Restaurant.

L. “Unit General Manager” means the individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the Restaurant and meets our training requirements.

#### GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location. We grant to you the right and license to establish and operate a retail BWW-GO Restaurant identified by the Trademarks to be located at the premises that you have selected which is identified on the Principal Terms Appendix attached to this Agreement as Appendix B (the “Authorized Location”). You acknowledge and agree that, despite any assistance, information or recommendations that we may have provided with respect to the Authorized Location or any other site, our acceptance of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for your Restaurant or of the likelihood that a BWW-GO Restaurant will succeed at that site. You acknowledge and agree that your acceptance of a franchise for the operation of a Restaurant at the Authorized Location is based on your own independent investigation. You accept the license and undertake the obligation to operate the Restaurant at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Designated Area and Non-Traditional Locations. The Authorized Location is located within the area described in the Principal Terms Appendix (the “Designated Area”). Provided that you and your affiliates are in compliance with the terms of this Agreement and any other agreements with us and our affiliates relating to the Restaurant, we and our affiliates will not open and operate, or grant to anyone else a license or franchise to open and operate, a BWW-GO Restaurant the physical premises are located within the Designated Area so long as this Agreement is in effect, except for BWW-GO Restaurants located at Non-Traditional Locations (defined below) within the Designated Area. You acknowledge that the consumer service area, delivery area or trade area of another BWW-GO Restaurant may overlap with your Designated Area.

You acknowledge and agree that certain locations within and outside the Designated Area are by their nature separate in character from sites generally developed as BWW-GO Restaurants. As a result, you agree that the following locations (“Non-Traditional Locations”) are excluded from the Designated Area, and we and our affiliates have the right to open and operate, or grant to anyone else a license or franchise to open and operate, BWW-GO Restaurants at such locations, whether those locations are within or outside the Designated Area: any permanent or temporary food service facility that operates (1) under one or more of the Trademarks and all or part of the System, and (2) at locations that do not feature unlimited and unrestricted access to the general public. Non-Traditional Locations include, but are not limited to: (a) military bases and other governmental facilities; (b) universities, schools and other education facilities; (c) airports, train stations, toll plazas and other public or restricted-access transportation facilities or terminals; (d) stadiums, arenas, theaters and other sports and entertainment venues; (e) amusement parks, theme parks, museums, zoos, and other similar public facilities; (f) cafeterias, food courts and other foodservice locations within shopping centers, shopping malls, office buildings/corporate campuses, industrial buildings, and department stores, grocery stores, and similar retail stores; (g) hotels, casinos and convention centers; (h) hospitals, nursing facilities and other medical facilities; and (i) reservations and other sovereign territories.

C. Nonexclusivity; Our Reservation of Rights. Your rights under this Agreement are limited to the right to develop and operate one Restaurant at the Authorized Location located in the Designated Area and do not include (i) any right to sell Menu Items or any other products, whether identified by the Trademarks or other trademarks, at or from any location other than the Authorized Location or through any other channels or methods of distribution, or (ii) any right to sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution.

We (on behalf of ourselves and on behalf of any other entity which we may acquire, or be acquired by, or otherwise are or become affiliated with) retain all rights not expressly granted in this Agreement and shall at all times have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by this Agreement. By way of example and without limitation, this includes:

1. establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BWW-GO Restaurants at any locations outside the Designated Area and BWW-GO Restaurants at any Non-Traditional Locations within or outside the Designated Area;

2. establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, restaurants and other foodservice establishments (including Buffalo Wild Wings® sports bars) or any similar or dissimilar businesses that either are not primarily identified by the Buffalo Wild Wings GO® Trademark or do not operate under the System at any locations, whether within or outside the Designated Area;

3. all rights relating directly or indirectly to the Trademarks, and all Menu Items and other products and services associated with any of the Trademarks, in connection with any methods of distribution, except as specifically set forth in Section 2.B. This includes providing, and granting rights to others to provide (except as specifically set forth in Section 2.B), products and services that are similar or dissimilar to, or competitive with, any Menu Items and other products and services provided at BWW-GO Restaurants, whether identified by the Trademarks or other trademarks or

service marks, regardless of the method of distribution and at any area or location, including providing, and granting others the right to provide: (a) through other BWW-GO Restaurants, Buffalo Wild Wings® sports bars, and/or other methods of distribution, catering and delivery services for Menu Items and other products and services within or outside the Designated Area, and (b) any frozen items, pre-packaged items or other products or services associated with BWW-GO Restaurants (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, through any channels of distribution such as grocery stores, club stores, convenience stores, wholesale, hospitals, clinics, health care facilities, business or industry locations (e.g. manufacturing sites and office buildings), military installations, military commissaries or the internet (or any other existing or future form of electronic commerce); and

4. acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by, a one or more businesses providing products and services similar or dissimilar to those provided at BWW-GO Restaurants, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Designated Area.

D. Ownership and Guarantee. You represent and warrant to us that the Ownership and Management Appendix reflects all of your Owners and their direct or indirect ownership or other equity interests in you as of the Effective Date. All of your Principal Owners must execute the form of undertaking and guarantee attached as Appendix C to this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of Section 11 or otherwise must execute our then current form of undertaking and guarantee within ten (10) days after the date such person or entity becomes a Principal Owner. Before approving and entering into any transaction that would make any person or entity a Principal Owner, you must notify such person about the obligations under this Section 2.D.

### TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our parent company's property and it has licensed the use of the Trademarks to us with the right to sublicense to others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon your compliance with this Agreement, including the following:

A. Trademark Ownership. The Trademarks are our parent company's valuable property, and it is the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Restaurant and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our parent company's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our parent company's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Restaurant except the Trademarks or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we periodically specify and only in the form and manner we periodically prescribe

in writing. You must comply with all of our trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards and requirements with respect to quality, mode and condition of storage, production, preparation and sale, and portion and packaging.

C. Restaurant Identification. You must use the name Buffalo Wild Wings GO® (or such other name that we specify) as the trade name of the Restaurant and you may not use any other mark or words to identify the Restaurant without our prior written consent. You may not use the phrase “Buffalo Wild Wings GO,” “Buffalo Wild Wings” or any of the other Trademarks (or any variation of the Trademarks) as part of the name of your corporation, partnership, limited liability company or other business entity. You may use the Trademarks on various materials, such as business cards, stationery and checks, that we periodically specify provided you (i) accurately depict the Trademarks on the materials as we prescribe, (ii) include a statement on the materials and other notices that we periodically satisfy indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Restaurant identifying you as a BWW-GO Restaurant franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Restaurant, that the Buffalo Wild Wings GO® and Buffalo Wild Wings® Trademarks are owned by our parent company, and that your use of the Trademarks is under a license we have issued to you. All your internal and external signs must comply at all times with our outdoor/indoor guidelines and practices, as they are modified from time to time.

D. Litigation. If any person or entity improperly uses or infringes the Trademarks or challenges your use or our (or our parent company’s) use or ownership of the Trademarks, we will control all litigation, administrative and other proceedings and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you become aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks, at your expense. All provisions of this Agreement relating to the Trademarks apply to any additional and substitute trademarks, service marks, trade names, logos and Trade Dress that we periodically authorize you to use.

#### TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement commences on the Effective Date and expires ten (10) years after the date upon which the Restaurant first opens for business or the Required Open Date, whichever happens first, unless this Agreement is sooner terminated in accordance with Section 13. You do not have any right to sublicense or subfranchise any of your rights under this Agreement and do not have the right to operate more than one Restaurant under

this Agreement. You must operate the Restaurant and use your best efforts to promote and increase the sales and service of Menu Items from the Restaurant during the entire term of this Agreement.

B. Renewal Term and Conditions of Renewal. You may renew your license to operate the Restaurant as a BWW-GO Restaurant for one (1) renewal term of ten (10) years, provided that: (i) you have given us written notice of your decision to renew at least six (6) months but not more than twelve (12) months prior to the end of the expiring term; (ii) you sign our then current form of franchise agreement and related documents (modified to reflect that the agreement relates to the grant of a renewal license), the terms of which may differ materially from those in this Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area; (iii) you have complied with our then current requirements for modernization of the Restaurant and/or replacement of the building, premises, Trade Dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards then applicable to new BWW-GO Restaurant, regardless of the cost of such modernizations and/or replacements, unless we determine that you should relocate your Restaurant because your Authorized Location no longer meets our then current site criteria, in which case you must comply with the relocation requirements of Section 5.E; (iv) you are not in default of this Agreement or any other agreement pertaining to the Restaurant, have satisfied all monetary and other material obligations on a timely basis during the initial term of this Agreement, and are then otherwise in good standing; (v) if you are leasing the Restaurant premises (and not subject to relocation under (iii) above), you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; (vi) you comply with our then current training requirements; (vii) you pay us, at time you sign the new franchise agreement, a renewal fee in the amount equal to fifty percent (50%) the initial franchise fee that we are then charging new franchisees developing new BWW-GO Restaurants; and (viii) you, each Principal Owner and each guarantor sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates.

#### DEVELOPMENT, OPENING AND MAINTENANCE OF RESTAURANT

5. You acknowledge and agree that we have the right to establish and modify, from time to time, quality standards regarding the development and business operations of BWW-GO Restaurants to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards, as we may periodically modify them, and agree to the following terms and conditions:

A. Restaurant Facility; Lease or Purchase Contract. You may not use the Restaurant premises or Authorized Location for any purpose other than the operation of a BWW-GO Restaurant during the term of this Agreement. If you plan to enter into any type of lease for the Restaurant premises, you and your landlord must sign the Lease Addendum attached as Appendix D to this Agreement. You may not change the Lease Addendum form without our approval. You must provide us a copy of the executed lease and Lease Addendum, as well as any amendments to the lease entered into after its effective date, within five (5) days after execution. We have no responsibility for the lease or any amendments thereto. It is your sole responsibility to evaluate, negotiate and enter into the lease for the Restaurant premises. You must execute, and provide us an executed copy of, your lease (including an executed copy of the Lease Addendum) or the purchase agreement for the Authorized Location within thirty (30) days after the Effective Date.

B. Construction. You must construct and equip the Restaurant in strict accordance with our approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, Trade Dress, and design and layout of the Authorized Location. You must

provide us for our approval purposed building plans for your Restaurant in the form that we reasonably specify. You may not commence construction of the Restaurant until you have received our written approval of your building plans. Our review is limited to evaluating your compliance with our design requirements and this Agreement's other requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the Americans with Disabilities Act, as compliance with those laws and regulations is your responsibility. You must remedy, at your expense, any noncompliance or alleged noncompliance with those laws and regulations. We may periodically inspect the Restaurant and the site while you are developing the Restaurant.

Without limiting the generality of the foregoing, you must promptly after obtaining a fully-executed lease for the Restaurant: (i) retain the services of an architect that we approve; (ii) retain the services of a general contractor that we approve; (iii) have prepared and submitted for our approval a site survey and basic architectural plans and specifications (not for construction) consistent with our general atmosphere, image, color scheme and ambience requirements as set forth from time to time in the manuals for a BWW-GO Restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, Computer System (defined in Section 6.D) and other equipment, fixtures, furniture, signs and decorating); (iv) purchase or lease and then, in the construction of the Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture and signs; (v) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Restaurant in full and strict compliance with the plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (vi) obtain all required zoning changes and all customary contractors' sworn statements and partial and final waivers; and (vii) obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including the Americans With Disabilities Act.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Restaurant to be made after we provide our consent for the initial plans, whether at our or your request, must be made in accordance with our specifications. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

You must begin substantial construction (site work, utility infrastructure and building erection) of the Restaurant at least one hundred (100) days before the Required Open Date (defined below) if the Restaurant will be in a new free standing location or at least seventy-five (75) days before the Required Open Date if the Restaurant will be in a non-free standing location or conversion of an existing free-standing building. We may require you to provide us weekly development and construction progress reports in the form we designate from the date you begin development until the date you open the Restaurant. In addition, on or before the deadlines to start construction you must submit to us, if requested, executed copies of any loan documents and any other document that proves that you have secured adequate financing to complete the construction of the Restaurant by the Required Open Date.

Within one hundred twenty (120) days after the Restaurant first opens for business, you must provide us a report, in the format and containing the information that we reasonably specify, identifying the amounts that you spent in various categories relating to the development and opening of the Restaurant.

C. Opening. You must open and begin operating the Restaurant for business in accordance with the provisions of this Agreement on or before the required open date listed in the Principal Terms Appendix (the “Required Open Date”). You agree not to open the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and specifications and in compliance with all applicable laws and regulations; (2) all pre-opening training for the Restaurant’s personnel has been completed to our satisfaction; (3) you have given us evidence of required insurance coverage and payment of premiums and a copy of the fully-signed Lease; and (4) if we (at our sole option) require, we have conducted a pre-opening inspection and/or have certified the Restaurant for opening. Our determination that you have met our pre-opening requirements will not constitute a waiver of your non-compliance or of our right to demand full compliance with those requirements.

D. Maintenance. You must maintain and refresh the building, equipment, fixtures, furnishings, signage and Trade Dress (including the interior and exterior appearance) of your Restaurant in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. Within a period of thirty (30) to forty-five (45) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must effect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and interior signage. If, however, any condition presents a threat to customers or public health or safety, you must effect the items of maintenance immediately.

E. Relocation and Casualty. If you choose to relocate the Restaurant because of the expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us that is within your Designated Area, provided that: (i) you have given us notice of your intent to relocate at least sixty (60) days before the Restaurant closes; (ii) you have submitted site and market information as we may require and proposed a new site within the Designated Area that we have accepted in writing within sixty (60) days after the Restaurant closes; (iii) promptly after we accept the new site, you sign and deliver to us our then current form of franchise agreement and related documents (modified to remove any initial franchise fee), the terms of which may differ from those in this Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area; and (vi) the new BWW-GO Restaurant is open and operating within one hundred eighty (180) days after the original Restaurant closes, all in accordance with our then current standards and the new franchise agreement. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur in connection with your relocation. You do not have the right to relocate in the event you lose the right to occupy the Restaurant premises because of the cancellation of your lease due to your breach.

If you need to relocate the Restaurant because of condemnation or destruction, we will grant you authority to do so at a site acceptable to us that is within your Designated Area, provided that: (1) you have submitted site and market information as we may require and proposed a new site within the Designated Area that we have accepted in writing within sixty (60) days after the Restaurant closes; (2) promptly after we accept the new site, you sign and deliver to us our then current form of franchise agreement (modified to remove any initial franchise fee), the terms of which may differ from this Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area; and (3) the new Restaurant is open and operating within one hundred eighty (180) days after the original Restaurant closes, all in accordance with our then current standards and the new franchise agreement. You must pay the



costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur in connection with your relocation.

If your Restaurant is destroyed or damaged and you repair the Restaurant at the Authorized Location (rather than relocate the Restaurant), you must repair and reopen the Restaurant at the Authorized Location in accordance with our then current standards for the destroyed or damaged area within one hundred eighty (180) days after the date of occurrence of the destruction or damage.

F. Outdoor Signage. The outdoor signage at your Restaurant must comply with our then current specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require within ninety (90) days after the date of notification.

#### PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our standards, specifications and requirements concerning the operation of the Restaurant, as we periodically modify them. The following provisions control with respect to your Restaurant's products and operations:

A. Authorized Menu. Your business must be confined to the preparation and sale of only such Menu Items and other food and beverage products as we designate and approve in writing from time to time for sale by your Restaurant. You must offer for sale from the Restaurant all items we periodically specify as mandatory and only those items listed as Menu Items and other approved food and beverage products. You must offer the full authorized menu during all hours of operation. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

B. Authorized Products and Ingredients. You must use in the operation of the Restaurant and in the preparation of Menu Items and other food and beverage products only the proprietary sauces and mixes and other proprietary and non-proprietary ingredients, recipes, formulas, cooking techniques and processes and supplies, and must prepare and serve Menu Items and products in such portions, sizes, appearance, taste and packaging, all as we specify in our most current product preparation materials or otherwise in writing. We will supply to you a copy of the current product preparation materials prior to opening the Restaurant. You acknowledge and agree that we may change these periodically and that you are obligated to conform to our then current requirements. All supplies, including containers, cups, plates, wrapping, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You must maintain at the Restaurant at all times an inventory of ingredients, food and beverage products and other products, materials and supplies that will permit operation of the Restaurant at maximum capacity.

C. Approved Supplies and Suppliers. You must only use the inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other products and services in connection with the design, construction and operation of the Restaurant that we periodically specify and that meet our standards and specifications, as we amend them from time to time. Although we do not do so for all of these products and services, we have the right to require you to purchase these products and services only from the manufacturer, distributor and/or supplier that we periodically designate or approve. We may implement and periodically modify our approved supplier criteria. You acknowledge and agree that certain of such products and services may only be made available from one source, and we or our affiliates may be that source.

You will pay the then current price in effect for all products and services that you purchase from us or our affiliates. ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED PRODUCTS AND SERVICES. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, PRODUCTS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

We and/or our affiliates may from time to time make available to you or require you to purchase goods, products and/or services for use in your Restaurant on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from distributors, suppliers and/or manufacturers in respect to sales of goods, products or services they supply to you and/or other BWW-GO Restaurants, and/or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration and may use them without restriction for any purposes that we or they deem appropriate.

D. Computer System. You must purchase and use any computer system that we develop or select for the Restaurant, including all future updates, supplements and modifications that we periodically specify (the "Computer System"). The Computer System includes all computing equipment, accessories, hardware, software and other information technology used in the operation of the Restaurant, including point-of-sale (POS) terminals and back office programs used to record, analyze and report sales, inventory, tax and other operational information. The computer software package developed for use in the Restaurant may include proprietary software and/or other technology. We may require you to license proprietary software or other technology, and/or purchase Computer System components and other related equipment, products and services, only from us, one of our affiliates or one or more third parties (at our option), and you must pay any licensing, user or technology fees and prices for components, equipment and other products and services that we or they determine. All right, title and interest in the software or other technology will remain with the licensor of the software or technology. The computer hardware and other components of the Computer System must conform to the specifications we periodically specify. We reserve the right to designate a single source from whom you must purchase the Computer System and related support services, and that single source may be us or an affiliate. You acknowledge and agree that we will have full and complete access to information and data entered and produced by the Computer System. You must, at all times, have at the Authorized Location internet access with a form of secure high-speed broadband internet connection at our then current minimum bandwidth specification. You also must maintain an email account for our direct correspondence with the Control Person and a separate email account for the Restaurant.

E. Serving and Promotional Items. All sales promotion material, customer goodwill and convenience items, cartons, containers, wrappers and paper goods, eating and serving utensils and other items used in the promotion, sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. At our option, you must obtain some or all of these items only from suppliers that we designate or approve from time to time.

F. Health and Sanitation. You must operate and maintain your Restaurant at all times in compliance with any and all applicable health and sanitary standards prescribed by any governmental authority. You also must comply with any health and safety standards that we periodically prescribe. In addition to complying with such standards, if the Restaurant is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting it. If you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance. We also may periodically evaluate the operation of your Restaurant from a food safety standpoint, and in that regard, require you to pay for, and utilize, the services of any food safety assessment vendor that we periodically specify who will assess food safety and other operations at your Restaurant. We may periodically change the food safety assessment program, including preferred vendor, timing of visits, scope of the assessment and required payments, as we determine necessary.

G. Evaluations. We and/or our authorized representatives have the right to enter your Restaurant at all reasonable times during business hours for the purpose of making periodic evaluations and to ascertain if you are complying with this Agreement, to inspect and evaluate the Authorized Location and its building, land and equipment, and to test, sample, inspect and evaluate the supplies, ingredients and products, as well as the storage, preparation and formulation and the conditions of sanitation and cleanliness in the storage, production, handling and serving of supplies, ingredients and products, used in the operation of your Restaurant. Any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of the Restaurant or your business or to assume any responsibility for your obligations under this Agreement. If we determine that any condition in the Restaurant presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery shopper” or other evaluation program from time to time throughout the term of this Agreement, and you must at your expense comply with the terms and conditions of any evaluation program that we periodically specify.

H. Period of Operation. Subject to any contrary requirements of local law and the force majeure provisions in Section 15.I, your Restaurant must be opened to the public and operated with the full authorized menu for at least the hours each day, and the days of the year, that we periodically specify.

I. Standards and Operating Procedures. You must adopt and use at all times in operating the Restaurant the required standards, procedures, techniques and management systems described in our manuals and other written materials, as we may periodically modify them. Any required standards, procedures, techniques and management systems exist to protect our interests in the System and the Trademarks and not for the purpose of establishing for us any control or duty to take control over those matters that are reserved to you. The manuals and other written materials also may include recommendations or guidelines to meet required standards, and you may follow those recommendations or guidelines or some other suitable alternative, provided that you meet and comply with the required standards, procedures, techniques and management systems. We may revise the manuals and these standards, procedures, techniques and management systems periodically to meet changing conditions of developing and operating BWW-GO Restaurants.

We agree to provide you a copy of the manuals (as we periodically modify them) during the term of this Agreement. You acknowledge and agree that the manuals and other system

communications may only be available on the internet or other online or computer communications. The manuals at all times are our sole property. You must at all times treat the manuals, and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the manuals and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the manuals are kept current and up to date, and in the event of any dispute as to the contents of the manuals, the terms of the master copy of the manuals that we maintain are controlling.

J. Confidential Information. You agree that you, your Restricted Persons, the Unit General Manager, each of your employees and agents, and any other individual or entity related to or controlled by you, may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use in any other business or in any manner not specifically authorized or approved in advance in writing by us, any Confidential Information. “Confidential Information” means the whole or any portion of (i) any know-how, knowledge, methods, standards, specifications, processes, procedures and/or improvements regarding the development or operation of a BWV-GO Restaurant that is valuable and secret in the sense that it is not generally known to our competitors; (ii) any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant, including the proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data; (iii) the names, contact information, ordering history and other personal information (excluding credit card data and other account data that you collect through the Restaurant’s POS system) of or relating to the Restaurant’s customers or prospective customers (collectively, “Customer Data”); and (iv) any other information that we reasonably designate from time to time as confidential or proprietary. Confidential Information may not be used for any purpose other than operating the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons associated with you who have access to any Confidential Information. You must provide executed copies of these agreements to us upon our request.

K. Catering and Delivery Services. You must engage in catering and delivery from your Restaurant according to the standards and specifications that we periodically specify. At our option, you must use only the vendors and programs that we periodically specify or approve. You may not establish another outlet or property (other than the Authorized Location) for use in connection with catering or delivery service and may not provide catering or delivery service to customers at Non-Traditional Locations without our prior written consent.

At our option, we may determine, and thereafter may periodically modify, the geographic area within which you will provide catering or delivery service, but you shall not receive any exclusive, protected or other territorial rights with respect to catering services or deliveries in that geographic area. You must ensure that the Restaurant’s customers receive at all times high quality food and beverage products prepared and maintained in accordance with our standards and specifications. You must maintain (or ensure that a third party service provider maintains) the condition and appearance of, and performs maintenance with respect to, vehicles, serveware and equipment used in connection with the provision of catering and delivery services in accordance with our standards and specifications. If you or your affiliate (subject to our approval) provides catering or delivery services directly, you must ensure that all catering and delivery drivers strictly comply with all applicable laws and maintain adequate motor vehicle liability insurance in the amounts that we periodically specify.

If you fail to comply with any provision of this Agreement, including any standard or specification pertaining to catering or delivery service, then in addition to any other rights and remedies that we might have (including the right to terminate this Agreement pursuant to Section 13, if applicable), we may temporarily suspend or permanently terminate your right to provide catering and/or delivery service or temporarily or permanently restrict the geographic area within which you may provide catering or delivery service. Any delivery fees and other revenue from catering or delivery services must be included in Gross Sales.

L. Compliance with Law; Licenses and Permits. As between us and you, you are solely responsible for the safety and well-being of your employees and customers of the Restaurant. Accordingly, you must at all times maintain your premises and conduct your Restaurant operations in compliance with all applicable laws, regulations, codes and ordinances, including laws pertaining to the privacy of consumer, employee and transactional information. You must secure and maintain in force all required licenses, permits and certificates relating to your Restaurant. You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your business or Restaurant, including any notices of health code violations or other violations of applicable law.

M. Participation in Internet Websites or Other Online Communications. You must, at your expense, participate in the website on the internet, our intranet system and any other online communications as we may periodically require for the BWW-GO Restaurant network, which (at our sole option) may be combined with the website, intranet system or other online communications for the Buffalo Wild Wings® sports bar network and/or any other concept. We have the right to determine the content and use of our website, intranet system or other form of online communications and will periodically establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks nor participate in any other website or other form of online communications that markets, offers or sells goods and services for the Restaurant without our approval. You may not use or reference any of the Trademarks in any online communication or website (including all current and future Social Media (defined in Section 8.E) platforms) without our prior approval. We retain all rights relating to our website and intranet system, including all rights to the information and data that you and other visitors provide, and may alter or terminate our website or intranet system. Your general conduct on our website and intranet system or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet system, or otherwise use the Trademarks on the internet or other online communications, will terminate when this Agreement expires or terminates.

N. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement from time to time to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, within the time period that we reasonably specify.

O. Pricing Policies. You must comply with the maximum, minimum or other pricing policies and requirements that we periodically specify for Menu Items and other products and services that the Restaurant offers and sells, including promotions, special offers and discounts in which some or all BWW-GO Restaurants participate, in each case to the maximum extent the law allows.

P. Innovations. All ideas, concepts, techniques or materials relating to a BWW-GO Restaurant business, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your Owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the System, and deemed to be works made for hire for us. You may not use any such ideas, concepts, techniques or materials in operating the Restaurant without our prior approval. You agree to (and agree to cause each of your Owners to) sign whatever assignment or other documents we may request from time to time to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

Q. Credit Cards and Other Methods of Payment. During the term of this Agreement, you must maintain credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, and electronic funds transfer systems that we periodically designate, and you may not use any such services or providers that we have not approved in writing or for which we have revoked our approval. We may periodically modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and may revoke our approval of any method and/or service provider. You must comply with the Payment Card Industry Data Security Standards (“PCI DSS”) as they may be revised and modified by the Payment Card Industry Security Standards Council, or any successor or replacement organization we may specify, and the Fair and Accurate Credit Transactions Act (“FACTA”) and other applicable laws with respect to your use, handling and storage of personally identifiable information, credit card data and other data. You also must upgrade periodically your Computer System and related software, at your expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations. You must notify us immediately if you are notified of or otherwise become aware of unauthorized access to one or more of your information technology systems or devices (including a credit card breach) related to the Restaurant or your business, and must cooperate with us and applicable authorities fully with respect to any related investigation. Further, you must cooperate with us fully with respect to media statements (if any) and other items related to managing any such incident from a Trademark and System protection standpoint.

#### PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to training, supervision and operations of the Restaurant employees and other personnel:

A. Supervision. You must have a Control Person and a Unit General Manager that meet our standards and qualifications at all times during the term of this Agreement. Your Control Person and Unit General Manager must attend and successfully complete all required training. You must appoint the Unit General Manager at least sixty (60) days before the Restaurant first opens for business and ensure that the Unit General Manager is fully trained to our satisfaction at least thirty (30) days before the Restaurant first opens for business. Should your Control Person or Unit General Manager fail to successfully complete our training requirements, we have the right to require that you appoint a new Control Person or Unit General Manager who meets our standards and qualifications within thirty (30) days. That new Control Person or Unit General Manager must attend and successfully complete our training requirements immediately after being appointed by you. Your Control Person also must be readily and continuously available to us. In addition to the Control Person and your Unit General Manager, your Restaurant must have three (3) shift supervisors at all times during the term of this Agreement.

B. Initial Training. You must, at your expense, comply with all of the training requirements we periodically prescribe for the Restaurant. The Control Person and the Unit

General Manager must attend and complete the initial training program we specify to our satisfaction before you open the Restaurant for business. If the Restaurant is the first or second BWW-GO Restaurant that you or your affiliates operate, we will provide the initial training program to your Control Person and Unit General Manager without any training fee, but you must pay our then current training fee for each additional person who attends our initial training program. If the Restaurant is the third or subsequent BWW-GO Restaurant that you or your affiliates operate, then you (or your affiliate) must provide the initial training program at your (or its) NCTR (defined below) according to our standards and requirements. If the Restaurant is the third or subsequent BWW-GO Restaurant that you or your affiliates operate and you or your affiliate does not then have an NCTR, or if we otherwise provide the initial training program for any Restaurant personnel, then you must pay our then current training fee for each person. You also must pay all of your and your personnel's travel, living and other expenses and compensation incurred in attending any training programs.

All replacement Unit General Managers at the Restaurant must complete the training we specify to our satisfaction and must begin training within four (4) weeks after the time of hire. You must pay our then current training fee if we provide that training. Our training requirements and programs may vary depending on our assessment of the experience of the trainee or other factors specific to the Restaurant. If we provide you notice of default under Section 13.A or B and the default relates, in whole or in part, to your failure to meet any operational standards, then without limiting our other rights and remedies, we may require as a condition of curing the default that you, the Control Person, the Unit General Manager and/or shift supervisors, at your expense, comply with the additional training requirements we prescribe. Any new Control Person must comply with our training requirements. Under no circumstances may you permit management of the Restaurant's operations by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require the Control Person, the Unit General Manager, shift supervisors and other key employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Authorized Location or any other location we periodically designate. In addition, you must participate in the manner we periodically specify in all in-Restaurant training programs that we implement from time to time, including by acquiring electronic devices (such as computers, laptops or tablets) and other equipment and subscriptions or licenses for learning platforms. You agree to pay our then current training fees and all of your and your personnel's travel, living and other expenses and compensation incurred in connection with any ongoing training programs.

D. National Certified Training Restaurant. On or before the opening date for the third BWW-GO Restaurant that you (or your affiliates) operate, you agree to complete (or to cause your affiliate to complete) to our satisfaction the necessary brand standards training, attain the minimum benchmarks, and complete the other tasks that we then specify in order for us to designate one of your (or your affiliate's) BWW-GO Restaurants as a "National Certified Training Restaurant" or "NCTR" and that Restaurant's Unit General Manager as the "Training General Manager." Once you or your affiliate have attained these certifications, if the NCTR loses that certification or otherwise fails to meet our minimum benchmarks to retain that certification, or if the Training General Manager's employment at the NCTR ends or the Training General Manager otherwise loses that certification, then within sixty (60) days thereafter, you agree to complete (or to cause your affiliate to complete) the tasks necessary for us to once again have one of your or your affiliate's BWW-GO Restaurants designated as a NCTR and for that Restaurant's Unit General Manager to be designated as the Training General Manager. We may permit and/or require that certain initial and ongoing training provided under this Agreement be conducted at your (or your

affiliate's) NCTR, under the direction and supervision of the Training General Manager, and according to our standards and requirements.

E. Staffing. You must employ a sufficient number of competent and trained employees at the Restaurant to ensure efficient service to your customers. You must require all your employees to work in clean uniforms approved by us.

F. Attendance at Meetings. The Control Person or another representative of the Restaurant whom we approve must attend, at your expense, all annual franchise conferences we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics that we periodically specify. We reserve the right to require that you and/or your Control Person and other Restaurant personnel attend any additional meetings and training programs that we periodically deem appropriate.

G. Responsibility for Employees. You acknowledge that you are an independent business and responsible for control and management of your Restaurant, including the hiring, discipline and discharging of your employees, paying wages and benefits of your employees, and determining the terms and conditions of employment for your employees. You acknowledge that we have no power, responsibility or liability in respect to these or other employment-related matters, as the sole power, responsibility and liability for such matters rest exclusively with you. You further acknowledge that no employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or Trademarks in any way shifts any employee or employment-related responsibility from you to us. Any materials, guidance or assistance that we provide with respect to the terms and conditions of employment for your employees, employee hiring, discipline and discharging, and similar employment-related policies or procedures, whether in the manuals or otherwise, are solely for your optional use. Those materials, guidance and assistance do not form part of the mandatory standards or System. You will determine to what extent, if any, these materials, guidance or assistance should apply to the Restaurant's employees.

#### ADVERTISING

8. You agree to actively promote your Restaurant, to abide by all of our advertising requirements and to comply with the following provisions:

A. Brand Fund. We may implement, and thereafter will administer and control, a marketing and brand fund (the "Brand Fund") for the advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials for all or a group of BWW-GO Restaurants that we periodically deem appropriate. You agree to pay us, via electronic funds transfer or another payment method we specify and together with each payment of the Royalty Fee (defined in Section 9.B), a contribution to the Brand Fund in an amount that we periodically specify, subject to the Marketing Spending Requirement (defined in Section 8.D). We and our affiliates will contribute to the Brand Fund on behalf of the BWW-GO Restaurants that we or they own (except for BWW-GO Restaurants at Non-Traditional Locations) at the same rate as similarly-situated franchised BWW-GO Restaurants in the same local marketing area. You acknowledge that BWW-GO Restaurants may contribute to the Brand Fund at different rates based on factors that we deem relevant in our sole judgment.

We have the right to designate and direct all programs that the Brand Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their



geographic, market and media placement and allocation. The Brand Fund may pay for preparing, producing and placing video, audio and written materials, electronic media and Social Media; developing, maintaining and administering technologies that promote or support BWW-GO Restaurants or their operations, including one or more websites, mobile applications, e-commerce and other online sales programs, customer incentive and retention programs, and other technologies used to reach customers or potential customers or to facilitate sales or delivery to customers; any marketing or other research and development, including product and food research, development and training materials related to accurately promoting or producing food and other products, menus and menu designs, sponsorships, marketing meetings and sales incentives; administering national, regional, multi-regional and local marketing, advertising, promotional and customer relationship management programs, including purchasing trade journal, Internet and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public and customer relations, market research, and other advertising, promotion, marketing and brand-related activities. The Brand Fund also may reimburse BWW-GO Restaurant operators (including us and our affiliates) for expenditures consistent with the Brand Fund's purposes that we periodically specify. We also may implement programs that could be financed by the Brand Fund, but choose to have them financed through other means, such as direct payments by you and other participating BWW-GO Restaurant operators.

We will account for the Brand Fund separately from our other funds and not use the Brand Fund to pay any of our general operating expenses, except to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur in connection with activities performed for the Brand Fund and its programs, including conducting market research, preparing advertising and marketing materials, maintaining and administering the BWW-GO Restaurant website and/or Social Media, developing technologies to be used by the Brand Fund or its programs, collecting and accounting for Brand Fund contributions, and paying taxes on contributions. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement upon written request. We may have the Brand Fund audited periodically at the Brand Fund's expense by an independent accountant we select. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 8.A.

We intend the Brand Fund to maximize recognition of the Trademarks and patronage of BWW-GO Restaurants. Although we will try to use the Brand Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Section 8.A) that will benefit all or certain contributing BWW-GO Restaurants, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Fund contributions from BWW-GO Restaurants operating in that geographic area, or that any BWW-GO Restaurant benefits directly or in proportion to the Brand Fund contributions that it makes. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect Brand Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 8.A, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Brand Fund.

You acknowledge that BWW-GO Restaurants currently are marketed to the public as part of the combined network of locations under the Buffalo Wild Wings® brand, together with Buffalo Wild Wings® sports bars, and that certain advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that are designed to benefit either the BWW-GO Restaurant network or the Buffalo Wild Wings® sports bar network can also serve to benefit (directly or indirectly) the other network and promote the Buffalo Wild Wings® brand and the Trademarks (the “Combined Brand Programs”). You also acknowledge that we currently maintain a separate advertising, marketing and promotion fund to which Buffalo Wild Wings® sports bar owners (including us and our affiliates) contribute (the “Sports Bar Fund”). The Sports Bar Fund may pay for some Combined Brand Programs that could (with or without modification) be used by or to benefit BWW-GO Restaurants, and the Brand Fund may pay for some Combined Brand Programs that could (with or without modification) be used by or to benefit Buffalo Wild Wings® sports bars. You agree that we may allocate costs for Combined Brand Programs between the Sports Bar Fund and Brand Fund, or between some or all Buffalo Wild Wings® sports bar operators and some or all BWW-GO Restaurant operators, on any reasonable basis that we determine in good faith and may periodically change the allocation methods. You agree that our allocation of such costs and expenditures is final. We also may, at our option, merge or otherwise combine (and, once combined, separate) the Sports Bar Fund and the Brand Fund and their operations as we deem appropriate.

We may at any time defer or reduce a BWW-GO Restaurant operator’s contributions to the Brand Fund and, upon at least thirty (30) days’ written notice to you, reduce or suspend Brand Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will (at our option) either spend the remaining Brand Fund assets in accordance with this Section 8.A or distribute the unspent assets to BWW-GO Restaurant operators (including us and our affiliates, if applicable) then contributing to the Brand Fund in proportion to their contributions during the preceding twelve (12)-month period.

B. Local Marketing. You agree at your expense to participate in the manner we periodically specify in all advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs that we periodically designate for the Restaurant. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that you or your agents or representatives develop or implement relating to the Restaurant (collectively, “Local Marketing”) is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us for our approval descriptions and samples of all proposed Local Marketing that we have not prepared or previously approved within the preceding six (6) months. If you do not receive written notice of approval from us within five (5) business days after we receive the materials, they are deemed disapproved. You may not conduct or use any Local Marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement Local Marketing. We assume no liability to you or any other party due to our specifying any programs or materials or our approval or disapproval of any Local Marketing.

You must issue, use and honor in the manner we periodically specify only the gift and stored value cards, checks and similar items that we periodically designate and otherwise participate in other promotions, including any customer loyalty programs and promotions and procedures for resolving customer complaints, that we periodically specify. You must obtain all gift and stored value cards, checks and similar items only from an approved supplier. We have

developed a gift card program and require that you sign the Affiliated Seller Agreement attached as Appendix E. At the time of termination or expiration, or the transfer of your rights under this Agreement, you must pay all amounts owed by you under the Affiliated Seller Agreement and other similar programs.

C. Required Local Marketing Expenditures. You agree to spend the amount we periodically specify on approved Local Marketing for the Restaurant, subject to the Marketing Spending Requirement (the “Required Local Marketing Spend”). Upon our request, you must provide us with itemization and proof of marketing and an accounting of the amounts that you have spent for approved Local Marketing. We may require you periodically to prepare and submit to us for our approval a proposed Local Marketing plan that contemplates spending at least the Required Local Marketing Spend, and if we do you must implement the plan in the form that we approved it. We also may, at our option, require you to deposit the Required Local Marketing Spend with us in advance, on a schedule we periodically determine, and if we do you must follow our requirements to evidence your payment of approved Local Marketing expenditures and obtain reimbursement of those expenditures from the amounts you deposited with us.

D. Advertising Cooperatives and Local Marketing Groups. We have the right to designate local advertising markets and if designated, you must participate in and contribute to the cooperative or local marketing group responsible for coordinating advertising, marketing and promotional programs in your designated local advertising market (the “Cooperative”). If established, you must contribute the amount we periodically specify to the Cooperative, subject to the Marketing Spending Requirement. If, however, the Cooperative votes to require contributions that would (together with the Brand Fund contributions and required Local Marketing expenditures) exceed the Marketing Spending Requirement, you must contribute such amount. Each BWW-GO Restaurant, including those we or our affiliate operates (except at Non-Traditional Locations), within a designated local advertising market is a member of the Cooperative and each restaurant has one vote on all matters requiring a vote. Each Cooperative will be required to adopt bylaws or other governing documents that meet our approval, and you agree to comply with the terms of those governing documents. We reserve the right to administer, or allow our affiliate to administer, the Cooperative’s funds and require payment from its members via electronic funds transfer to spend on behalf of the Cooperative and its members. Otherwise each Cooperative’s members are responsible for its administration. You or the Cooperative must pay our then current charges for any accounting, bookkeeping, administrative and other services we or our affiliate provides. At our option, each Cooperative must engage the services of a professional advertising agency or media buyer that we approve and has expertise in the industry and in the particular market. Further, you must obtain our written approval of all Cooperative advertising, marketing and promotional materials, creative execution, media schedules and programs prior to their implementation. Each Cooperative will be required to prepare annual financial statements, which must be made available to all members of the Cooperative and to us upon request. Also, each Cooperative must submit to us its meeting minutes upon our request. We have the right to require Cooperatives to be formed, changed, dissolved or merged.

E. Marketing Spending Requirement. The “Marketing Spending Requirement” is the maximum amount that we can require you to spend on Brand Fund contributions, Cooperative contributions (subject to Section 8.D), and approved Local Marketing for the Restaurant during each calendar quarter, and is an amount equal to six percent (6%) of the Restaurant’s Gross Sales during that calendar quarter. Although we may not require you to spend more than the Marketing Spending Requirement on Brand Fund contributions, Cooperative contributions and approved Local Marketing for the Restaurant during any calendar quarter, you may choose to do so and the Cooperative may vote to increase contributions pursuant to Section 8.D. We may periodically

review your books and records and require you to submit reports to determine your Cooperative contributions and Local Marketing expenses. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any quarter, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Brand Fund contribution or to pay us the shortfall for us to spend on Local Marketing for the Restaurant.

F. Social Media. You agree to comply with our policies and requirements (as we periodically modify them) concerning blogs, common social networks like Facebook, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites like Pinterest and Instagram, and other similar social networking or media sites or tools (collectively, "Social Media") that in any way reference the Trademarks or involve the Restaurant. You acknowledge that these policies may involve prohibitions on your or your representatives' use of Social Media in connection with the Trademarks or the Restaurant.

G. New Restaurant Opening Promotion. You must conduct certain advertising, marketing and public relations activities in connection with the opening of your Restaurant. We require you to spend, in addition to the required expenditures described above, Fifteen Thousand Dollars (\$15,000) for such opening activities, which must be spent some time during the period beginning forty-five (45) days before and ending sixty (60) days after the opening of your Restaurant, unless otherwise approved by us. In addition, you must perform opening advertising and promotions as required by this Subsection 8.G every time that you relocate the Restaurant or reopen the Restaurant after having it closed for thirty (30) days or more. Upon our request, you must provide to us proof of these expenditures. We have the right, but not the obligation, to collect and administer these funds on your behalf.

#### FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us a nonrefundable "Initial Franchise Fee" identified on the Principal Terms Appendix. The Initial Franchise Fee is payable in full on the date you sign this Agreement, is earned upon receipt and is in consideration for our expenses incurred and services rendered in granting you the franchise rights.

B. Royalty Fee. During the term of this Agreement, you must pay to us a weekly "Royalty Fee" in an amount identified on the Principal Terms Appendix.

C. Technology Fees. Upon notice from us you agree to pay us, on a schedule that we periodically specify, a technology fee ("Technology Fee") in the amount we periodically specify, but not to exceed one-half percent (0.5%) of the Restaurant's Gross Sales. We may establish and periodically modify the Technology Fee in our reasonable judgment based on the technology-related products and services that we provide to you and other similarly situated BWW-GO Restaurant operators. However, nothing in this Section 9.C limits our rights or your obligations relating to your acquisition of technology-related products and services directly from our affiliates or other approved vendors and suppliers.

D. Computations and Remittances. You must submit Gross Sales reports to us daily via our electronic data interface or using any other means as we periodically specify. You must verify all amounts due and owing at the end of each week's operation and pay us the amounts owed on the schedule we periodically specify, accompanied by any reports we may require. We reserve the right to change the reporting day of the week for any or all amounts. We also may periodically

change the mechanism for your payments under this Agreement. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You may not offset any amounts that we or our affiliates owe or might owe you against any amounts you owe us or our affiliates, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you. Further, if you are delinquent in the payment of any amounts owed to us, we have the right to require you to prepay estimated Royalty Fees and Brand Fund contributions.

E. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization that we periodically specify to authorize and direct your bank or financial institution to transfer electronically, on a weekly basis or other frequency that we periodically determine, directly to our or our affiliate's account and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section 9.E.

F. Interest Charges; Late Fees. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of eighteen percent (18%) per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Royalty Fee and Brand Fund contribution payments, you must pay to us a service charge of One Hundred Fifty Dollars (\$150) for each delinquent report or payment that you owe to us under this Agreement. A payment is delinquent if we do not receive the payment on or before the date due or if there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

G. Financial Planning and Reports. You must record daily all sales on the Restaurant's point-of-sale system in the manner that we periodically specify. You must keep books and records and submit financial and other operational reports to us as we periodically require. You must compile, keep and submit to us the books, records and reports on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain these books, records and reports for not less than thirty-six (36) months. You must allow us electronic and manual access to any and all records relating to your Restaurant that we periodically specify, other than employment-related records. You also must, at your expense, submit to us within ninety (90) days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements, including a supplemental schedule of revenue and expenses prepared in the format we may periodically prescribe. We may require that the annual financial statements be reviewed or audited by a certified public accountant. You must certify all reports to be true and correct.

H. Audit. We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Restaurant are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. If any evaluation or audit reveals any understatement of your Gross Sales, Royalty Fees or Brand Fund contributions in any month by an individual or

combined total of one and one-quarter percent (1.25%) or more from data reported to us, then, in addition to any other rights we may have (including collection of amounts owed with respect to any understatement), you must reimburse us for all audit costs, including related professional fees, travel, and room and board expenses. Furthermore, we may conduct additional periodic audits and/or evaluations of your books and records, at your sole expense, as we reasonably deem necessary for up to three (3) years thereafter. To verify the information you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of fourteen (14) days from the date of notice of understatement or variance. You must fully cooperate with us or our representative in performing these activities and reimburse us for any expenses we incur from your lack of cooperation.

#### YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due all payments, obligations, indebtedness, assessments and taxes due and payable to us and our affiliates, lenders, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You hereby waive all claims against us for damages to property or injuries to persons arising out of the operation of your Restaurant. You must fully protect, indemnify, defend, reimburse and hold harmless us and our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "BWW Indemnified Parties") from and against any and all claims, demands, damages, expenses and liabilities of any nature whatsoever (including attorneys' fees) arising in any manner, directly or indirectly, out of or in connection with or incidental to (1) the development or operation of your Restaurant, including any allegation that we or any of our affiliates is a joint employer or otherwise responsible for any of your acts or omissions relating to your employees or customers, and regardless of cause or any allegation of concurrent or contributing fault or negligence of us or our affiliates; or (2) your breach or failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred. At our option, we may (at your expense) defend and control the defense of any actual or threatened claim or proceeding that (i) arises from or relates to the validity of any of the Trademarks or your authorized or alleged unauthorized use of any of the Trademarks; (ii) involves any alleged unauthorized access of any Customer Data or any credit card data, personally identifiable information or other data; (iii) is a class action or other proceeding involving both the Restaurant and any other BWW-GO Restaurant; or (iv) if decided adversely, would reasonably be expected to have an adverse effect on us, our affiliates, the goodwill associated with the Trademarks, or the BWW-GO Restaurant network.

We hereby waive all claims against you for damages to property or injuries to persons arising out of the operation of our company- or affiliate-owned BWW-GO Restaurants. We must reimburse you and your affiliates for any and all damages, expenses and liabilities (including attorneys' fees) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator of competent jurisdiction to be caused solely by our or another BWW Indemnified Party's breach of this Agreement, gross negligence or willful misconduct, so long as the claim to

which those damages, expenses and liabilities relate is not asserted on the basis of theories of vicarious liability (including agency and joint employer) or our failure to compel your compliance with this Agreement.

C. Insurance. You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. The insurance policy or policies shall be written in accordance with the standards and specifications (including minimum coverage amounts, types of coverage and exclusions) that we set forth in writing from time to time. In addition, the required liability insurance must (i) name Buffalo Wild Wings, Inc., Buffalo Wild Wings International, Inc., Inspire Brands, Inc., and their affiliates (collectively, “Inspire Brands Entities”) as additional insureds; (ii) provide severability of interests and/or separation of insureds coverage; and (iii) be primary and non-contributory with any insurance policy carried by any of the BWW Inspire Brands Entities.

You must deliver to us or our designee at commencement and thereafter annually or at our or our designee’s request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this Subsection. The insurance certificate must show compliance with all required insurance specifications. We also may request copies of all policies and/or loss data. We may from time to time modify the required minimum limits and require additional or different insurance coverage, by providing written notice to you, as conditions require, including to reflect changes in relevant circumstances, industry standards, experiences in the BWW-GO Restaurant network, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage for you on your behalf and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

D. Noncompete Covenants. You agree that you and the Restricted Persons will receive valuable training and Confidential Information that you and they otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants on behalf of yourself and the other Restricted Persons, and we may require you to obtain from your Restricted Persons a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Subsection 10.D, in each case to the extent not prohibited by applicable law:

1. During the term of this Agreement, neither you nor any of the other Restricted Persons may, either directly or indirectly, for yourself or themselves or through, on behalf of, or in conjunction with any person or entity, own any interest in, manage, operate, maintain, engage in, perform services for, consult with or have any other interest in any Competitive Business, wherever located or operating.

2. For a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, neither you nor any of the other Restricted Persons may, either directly or indirectly, for yourself or themselves or through, on behalf of, or in conjunction with any person or entity, own any interest in, manage, operate, maintain, engage in, perform services for, consult with or have any other interest in a Competitive Business that is located or operating:

a. at the Authorized Location;

- b. within a five (5)-mile radius of the Authorized Location; or
- c. within a five (5)-mile radius of the location of any other BWW-GO Restaurant that is open, operating or under development as of the date of expiration or termination or transfer.

3. You agree that the length of time in Subsection (2) will be tolled for any period during which you or any of the Restricted Persons is in breach of any of these covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

### TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers Defined. We have entered into this Agreement with specific reliance upon your (and your Owners') financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Restaurant. Consequently, neither your interest in this Agreement nor in the Restaurant or any of its assets, nor any direct or indirect ownership or other equity interests in you, may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first complied with all applicable provisions of this Section 11. A transfer of the ownership, possession or control of the Restaurant or its assets may be made only with a transfer of this Agreement. Any transfer without our consent is a breach of this Agreement and has no effect. In this Agreement, "transfer" (whether or not capitalized) includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events, whether they impact you (or your Owners) directly or indirectly:

- 1. transfer of record or beneficial ownership of any ownership or other equity interest or the right to receive all or a portion of your profits or losses or any capital appreciation relating to you or the Restaurant (whether directly or indirectly);
- 2. a merger, consolidation or exchange of ownership or other equity interests, or issuance of additional ownership or other equity interests or securities representing or potentially representing ownership or other equity interests, or a redemption of ownership or other equity interests;
- 3. any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other arrangement granting the right to exercise or control the exercise of the voting rights of any Owner or to control your or the Restaurant's operations or affairs;
- 4. transfer of a direct or indirect ownership or other interest in you, this Agreement, the Restaurant or its assets in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;
- 5. if you or one of your Owners dies, transfer of a direct or indirect ownership or other interest in you, this Agreement, the Restaurant or its assets by will, declaration of or transfer in trust, or under the laws of intestate succession; or



6. the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any ownership or other interest in you, this Agreement, the Restaurant or its assets; foreclosure upon or attachment or seizure of the Restaurant or any of its assets; or your transfer, surrender or loss of the possession, control or management of all or any material portion of the Restaurant (or its operation) or you.

In this Agreement, “Control Transfer” means (i) any transfer of this Agreement or any interest in or rights or obligations under this Agreement, or of the Restaurant or all or substantially all of its assets; or (ii) any transfer or other transaction, or a series of transfers or other transactions (regardless of the period of time over which they take place), which results in the transfer or creation of a Controlling Ownership Interest in you, whether directly or indirectly. “Controlling Ownership Interest” means either (x) fifty percent (50%) or more of the direct or indirect ownership or other equity interests in you, or (y) any ownership or other equity interest or other direct or indirect right or interest in you that provides the right, power or authority, whether alone or together with others, to direct and control your management and policies. “Non-Control Transfer” means the transfer or creation of any direct or indirect ownership or other equity interest in you that is not a Control Transfer.

In the event of your insolvency or the filing of any petition by or against you or your Owner under any provisions of any bankruptcy or insolvency law, if your or your Owner’s legal representative, successor, receiver or trustee desires to succeed to your or your Owner’s interest in this Agreement or the Restaurant (whether directly or indirectly), such person first must notify us and comply with all applicable provisions of this Section 11. In addition, you or the assignee must pay the attorneys’ fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you or your Owner.

You may not place in, on or upon the location of the Restaurant, or in any communication media or any form of advertising, any information relating to the sale of the Restaurant, its assets, the rights under this Agreement, or any ownership or other equity interest in your or your Owner, without our prior written consent.

B. Conditions for Consent to Non-Control Transfer. We will not unreasonably withhold our consent to a Non-Control Transfer if:

1. you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed assignee, its direct and indirect owners (if the proposed assignee is an entity) and the transfer at least thirty (30) days before its effective date;

2. all amounts that you owe us or any of our affiliates, your suppliers, and any landlord for the Authorized Location, or upon which we or any of our affiliates have any contingent liability, are paid in full and you are then otherwise in compliance with all of the provisions of this Agreement and all other agreements with us or our affiliate relating to the Restaurant;

3. the proposed assignee and its direct and indirect owners (if the proposed assignee is an entity) will be in compliance with Section 10.D and otherwise meet our then applicable standards for non-controlling owners of BWV-GO Restaurant franchisees;

4. you and your Principal Owners sign the form of agreement and related documents (including guarantees) that we then specify to reflect your new ownership structure, and your transferring Restricted Persons sign the agreements that we then specify under which they agree to comply with the covenants in Sections 6.J and P and with the covenants in Section 10.D(2) for two (2) years after the effective date of the transfer;

5. you, each Principal Owner and each guarantor sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates; and

6. you pay us a transfer fee of One Thousand Dollars (\$1,000) to partially cover some of our costs and expenses incurred in evaluating the transferee and the transfer (in addition to any other transfer or other fees payable under any Area Development Agreement, other franchise agreement, or other agreement with us or our affiliate).

C. Conditions for Consent to Control Transfer. In order to request our consent to a Control Transfer, in addition to complying with Sections 11.D, 11.E and 11.G, you must submit to us our form of application for consent to transfer and all other information and documents we require under our then current transfer procedures. We have the right to require you to prepare and furnish to the assignee and/or us such financial reports and other data relating to the Restaurant and its operations that are reasonably necessary or appropriate for the assignee and/or us to evaluate the Restaurant and the proposed transfer. We also have the right to confer with the proposed assignee and furnish the proposed assignee with information concerning the Restaurant and proposed transfer without being held liable to you, except for intentional misstatements we make to an assignee. Any information we furnish to any proposed assignee is for the sole purpose of permitting the assignee to evaluate the Restaurant and proposed transfer.

We will not unreasonably withhold our consent to a Control Transfer (subject to Sections 11.D and 11.G) if:

1. you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed assignee, its direct and indirect owners (if the proposed assignee is an entity) and the transfer at least sixty (60) days before its effective date;

2. all amounts that you owe us or any of our affiliates, your suppliers, and any landlord for the Authorized Location, or upon which we or any of our affiliates have any contingent liability, are paid in full, and you and your affiliates are then otherwise in compliance with all of the provisions of this Agreement and all other franchise agreements, area development agreements and other agreements with us or our affiliate relating to the Restaurant or any other BWW-GO Restaurant;

3. the proposed assignee and its direct and indirect owners (if the proposed assignee is an entity) will be in compliance with Section 10.D and otherwise meet our then applicable standards for new franchisees (and their owners) of BWW-GO Restaurant franchisees, including (if applicable) by having the financial and operational qualifications to develop and operate all of the Market BWW-GO Restaurants (defined in Section 11.D);

4. the assignee (if the transfer is of this Agreement) or you (if the transfer is of a direct or indirect ownership or other equity interest in you) agree, at our option, to (a) be bound by all terms and conditions of this Agreement for the remainder of the term, or (b) sign our then current form of franchise agreement and related documents, the terms of which may differ materially from those in this Agreement, including higher fees and a modification to the Designated Area and/or your rights in any new designated area, except that the term of such franchise agreement shall be the remaining term of this Agreement;

5. you and/or your transferring Restricted Persons (as applicable) sign the agreements that we then specify under which they agree to comply with the covenants in Sections 6.J and P and with the covenants in Section 10.D(2) for two (2) years after the effective date of the transfer;

6. the assignee and its personnel must, at your or assignee's expense, comply with the training requirements we then specify;

7. we have determined that the purchase price and payment terms will not adversely affect the operation of the Restaurant, and if you or your Owners finance any part of the purchase price, then you and they agree that (a) all obligations under promissory notes, agreements or security interests reserved in the Restaurant are subordinate to the assignee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement, and (b) if we approve your or your Owners' retaining a security interest or other financial interest in this Agreement or the Restaurant, you and/or such Owners guarantee the performance of the assignee under this Agreement, until the security interest or other financial interest is terminated;

8. you, each Principal Owner and each guarantor sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates;

9. you pay us the remaining transfer fee pursuant to Section 11.E; and

10. you and the assignee have complied with any other conditions that we reasonably require from time to time as part of our transfer policies, provided that such conditions are not more stringent than any conditions otherwise imposed on new franchisees signing our then current franchise agreement.

D. Transfer of All Market BWW-GO Restaurants. You acknowledge our current requirement that developers of multiple BWW-GO Restaurants must themselves (directly or through controlled affiliates) continue to own and operate all of the BWW-GO Restaurants located and/or to be developed in their development areas or markets (as defined by us or in the applicable development agreement) (collectively, the "Market BWW-GO Restaurants") throughout the entire terms of their area development agreements and franchise agreements. We believe this requirement is important in order to (among other reasons) establish continuity and cooperation among the Market BWW-GO Restaurants and protect the BWW-GO® brand. Therefore, if the Restaurant is one of a number of Market BWW-GO Restaurants, then upon any proposed Control Transfer involving the Restaurant, in addition to the conditions listed in Section 11.C, we may condition our consent to that Control Transfer on the simultaneous transfer to the applicable assignee of other rights, interests, obligations, assets, and/or ownership or other equity interests such that, following such transfer, the assignee has the right to develop, own and operate (directly or through its controlled affiliates) all of the Market BWW-GO Restaurants.

E. Transfer Fee for Control Transfers. The transfer fee for a Control Transfer is the greater of (1) all costs and expenses that we incur in reviewing and processing the transfer (including attorneys' fees) or (2) Twelve Thousand Five Hundred Dollars (\$12,500). You must submit to us a Five Thousand Dollar (\$5,000) deposit towards the transfer fee at the time you submit an application for our consent to a Control Transfer. We have the right to increase the deposit, up to a deposit of Twelve Thousand Five Hundred Dollars (\$12,500), if we believe that our costs and expenses will exceed Five Thousand Dollars (\$5,000). We will refund the deposit, less our costs and expenses, if the transfer is not completed. If the transfer proceeds, the balance of the transfer fee is due to us before the closing of the transfer. Notwithstanding the foregoing, if the transfer is part of a simultaneous Control Transfer for multiple BWW-GO Restaurants, then transfer fee is the greater of (i) all costs and expenses that we incur in reviewing and processing the transfer (including attorneys' fees) or (ii) Twelve Thousand Five Hundred Dollars (\$12,500) for the first BWW-GO Restaurant and Two Thousand Five Hundred Dollars (\$2,500) for each additional BWW-GO Restaurant.

F. Death, Disability or Incapacity. If any individual who is an Owner dies or becomes disabled or incapacitated, and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Owner, then such individual or entity must apply for our consent under this Section 11, as in any other case of a proposed transfer, all within one hundred eighty (180) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in Section 11.G.

G. Right of First Refusal. If you or any of your Owners propose to engage in any Control Transfer, whether in one transaction or a series or related transactions, you first must provide us a right of first refusal and offer to sell to us your or your Owner's interest, in accordance with this Section 11.G.

1. If you (or your Owner) receives or makes a bona fide offer to any proposed assignee with respect to any Control Transfer, then you must obtain from the fully-disclosed proposed assignee, and deliver to us, a statement in writing, signed by the proposed assignee and by you (or your Owner), containing all material terms of the offer. That offer must relate exclusively to an interest in this Agreement and the Restaurant (and its assets) or a direct or indirect ownership or other equity interest in you (as applicable, the "Offered Interest"). To be a bona fide offer, the offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to an interest in this Agreement and the Restaurant (and its assets) or a direct or indirect ownership or other equity interest in you and not to any other interests or assets. We may, by delivering written notice to you within forty-five (45) days after we receive both an exact copy of the offer and all other information concerning the offer that we reasonably request, elect to purchase the Offered Interest for the price and on the terms and conditions contained in the offer, provided that we may substitute cash for any form of consideration proposed in the offer and our credit will be deemed equal to the credit of any proposed assignee.

2. The closing under this Section 11.G will be not less than sixty (60) days after we first notify you of our election to purchase or, if later, the closing date proposed

in the offer. We may (at our option) prepare the purchase agreement and related documents for the transaction. Under that purchase agreement we must receive, and you and your Owners agree to provide, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in an entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant or your business prior to the closing.

3. If the proposed Control Transfer involves the transfer of a Controlling Ownership Interest in you (whether directly or indirectly) or arises from your or your Owner's insolvency, bankruptcy or similar action or proceeding, then in addition to our right of first refusal under this Section 11.G with respect to the Offered Interest, we shall have the option to purchase all or any portion of the assets of your Restaurant owned by you or any of your affiliates that we then designate, including the building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements and inventory of the Restaurant. We may exercise this option by delivering written notice to you at any time within the forty-five (45)-day period described in the immediately preceding paragraph. If we exercise this option, then the terms and conditions of Section 14.E shall apply to that purchase, except that, unless we and you otherwise agree in writing, the purchase price for the Purchased Assets (as defined in Section 14.E) will be based on the valuations and methodologies reflected and used in the calculation of the price for the Offered Interest instead of the methodology set forth in the first sentence of Section 14.E(2).

4. If we do not exercise our right of first refusal or purchase option under this Section 11.G, then you or its Owners may complete the sale to the proposed assignee on the original offer's terms, but only if we consent to the transfer as provided in this Section 11. If you do not complete the sale to the proposed assignee (with our approval) within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the offer (which you must tell us promptly), then we will have an additional right of first refusal or purchase option during the thirty (30)-day period following either the expiration of the sixty (60)-day period or our receipt of notice of the material change in the offer's terms, either on the terms originally offered or the modified terms, at our option.

5. We may assign our rights under this Section 11.G to any entity (who may be our affiliate), and that entity will have all of the rights and obligations under this Section 11.G.

H. Transfer by Us. We may change our ownership or form and/or assign this Agreement and any other agreement between us and you (or any of your Owners or affiliates) without restriction. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

## DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Governing Law. This Agreement, the franchise, and all claims arising from the relationship between us and you shall be governed by the laws of the State of Georgia, without regard to its conflict of laws rules; provided, however that any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section 12.A.

B. Choice of Forum. The parties agree that to the extent any disputes arise that cannot be resolved directly between the parties, you shall file any suit against us or our affiliates only in the federal or state court of general jurisdiction located closest to our then current principal office. We may file suit in the federal or state court of general jurisdiction located closest to our then current principal office or in the jurisdiction where you reside or do business, or where the Restaurant is or was located or where the claim arose. Each party irrevocably submits to the jurisdiction of those courts and waives any objection such party may have to either the jurisdiction of or venue in those courts.

C. Injunctive Relief. You recognize that the Restaurant is one of a large number of BWV-GO Restaurants that are selling to the public similar products, and that your failure to comply with the terms of this Agreement could cause irreparable damage to us. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, or the business, or our relationship with you, will be entitled to recover its reasonable attorneys' fees and costs.

E. Limitation of Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the Restaurant, or our relationship with you, unless the claim or cause of action is commenced within one (1) year following the first act or omission giving rise to the claim or cause of action.

F. Waiver of Punitive Damages and Jury Trial. EXCEPT FOR PUNITIVE, EXEMPLARY, TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 10.B, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE OR OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU (OR YOUR OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS).

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Termination With No Opportunity to Cure. We may terminate this Agreement, effective immediately upon our delivery of written notice to you, and without providing you any opportunity to cure the default, if:

1. you or any of your Owners makes any material misrepresentation or omission in your franchise application or in operating the Restaurant;
2. you fail to open and begin operating the Restaurant in accordance with this Agreement on or before the Required Open Date;
3. you voluntarily abandon this Agreement, the Restaurant or the Authorized Location, or the Restaurant is not open for all required hours of operation for a period of two (2) consecutive days or five (5) or more days in any twelve (12)-month period without our prior written consent;
4. the lease for the Authorized Location terminates (regardless of the reason), you fail to timely cure a default under the lease, or you otherwise lose the right of possession of the Authorized Location, except in accordance with Section 5.E;
5. the Restaurant closes by any state or local authorities for health or public safety reasons;
6. there is any unauthorized use or disclosure of any Confidential Information in breach of this Agreement;
7. you or any of your Owners is convicted by a trial court of, or pleads no contest to, a felony, regardless of the nature of the charges;
8. you, any of your Principal Owners or any guarantor breaches any provision of this Agreement that results in any material impairment of the goodwill associated with any of the Trademarks, or takes any action that in any way infringes upon, harms or contests our or our parent company's rights in any of the Trademarks or the goodwill associated with the Trademarks;
9. you or any of your Owners engages in any dishonest, unethical or illegal conduct which, in our opinion, adversely affects the Restaurant's reputation, the reputation of other BWG-GO Restaurants or the goodwill associated with any of the Trademarks;
10. you fail to maintain the insurance we require from time to time and/or fail to provide us with proof of such insurance as this Agreement requires;

11. you intentionally understate or underreport Gross Sales, Royalty Fees or Brand Fund contributions, or if a subsequent audit or evaluation conducted within the three (3)-year period referenced in Section 9.H reveals any understatement or a variance of these amounts by an individual or combined total of one and one-quarter percent (1.25%) or more;

12. there is any unauthorized transfer or assignment in violation of Section 11;

13. you or any of your Owners fails on three (3) or more separate occasions within any twelve (12)-consecutive month period to comply with any one or more obligations under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you and whether these failures involve the same or different obligations under this Agreement;

14. you or any of your Owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you;

15. any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates) relating to a BWW-GO Restaurant, other than an Area Development Agreement, is terminated before its term expires, regardless of the reason; or

16. you or any Owner makes an assignment for the benefit of creditors or admits in writing your or its insolvency or inability to pay your or its debts generally as they become due; you or any Owner consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of your or its property; the Restaurant or any of its assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you, any Owner or the Restaurant is not vacated within thirty (30) days following the order's entry.

B. Termination With Opportunity to Cure. We may terminate this Agreement, effective immediately upon our delivery of written notice to you, if:

1. you violate any health safety or sanitation law or regulation, violate any system standard as to food handling, cleanliness, health and sanitation, or operate the Restaurant in a manner that presents a health or safety hazard to your customers or to the public (for example, improper cooking or storage procedures used for chicken wings), and do not correct the violation or failure of operation within twenty-four (24) hours after you receive written notice (either from us or from a government agency);

2. you fail to deliver any required financial or other report to us, or fail to pay us (or our affiliates) any amounts due, whether arising under this Agreement or any other agreement, and do not correct the failure within ten (10) days after we deliver written notice of that failure to you; or



3. you fail to comply with any other provision of this Agreement or any mandatory standard, specification or operating procedure and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

C. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this Agreement supersede any provision of this Agreement that is less favorable to you.

D. Termination by You. You may terminate this Agreement if we breach a material provision of this Agreement, provided that: (i) you provide us with written notice of the breach that specifically identifies the grounds for the breach; and (ii) we fail to cure the breach within thirty (30) days after our receipt of that written notice. If we fail to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement under this Section 13.D will not release or modify your post-term obligations under Section 14 of this Agreement.

#### POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

A. Payment of Amounts Owed. You must pay to us, our affiliates and all vendors and suppliers all amounts that you owe to them or us, including all damages arising from the termination of this Agreement, within ten (10) days after expiration or termination.

B. Discontinuation of Trademark Use and Deidentification. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party.

1. You must assign to us or our designee all right, title and interest in the telephone numbers for the Restaurant and cancel or assign to us or our designee, at our option, any assumed name rights or equivalent registrations filed with authorities.

2. Beginning on the De-identification Date (defined below) or the closing of the acquisition of the Purchased Assets (defined in Section 14.E) under Section 14.E, you and your Owners shall not directly or indirectly at any time thereafter or in any manner (except in connection with other BWW-GO Restaurants or Buffalo Wild Wings® sports bars that you or they own and operate under effective franchise agreements with us): (a) identify yourself or themselves or any business as a current or former BWW-GO Restaurant or as one of our current or former franchisees or licensees; (b) use any Trademark, any colorable imitation of a Trademark, any trademark, service mark or commercial symbol that is confusingly similar to any Trademark, or any other indicia of a BWW-GO Restaurant in any manner or for any purpose, including in or on any advertising or marketing materials, forms, or any website, Social Media or other electronic media; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us or the network of BWW-GO Restaurants.

3. Within three (3) days after the De-identification Date, you must remove and deliver to us or our designee (or, at our option, destroy) all exterior and interior signs, Local Marketing and other advertising, marketing and promotional materials, forms and

other documents containing any of the Trademarks or otherwise identifying or relating to a BWW-GO Restaurant.

4. Within ten (10) days after the De-identification Date, you must make such alterations as we reasonably specify to distinguish the Authorized Location and the Restaurant clearly from their former appearance as a BWW-GO Restaurant and from other BWW-GO Restaurants so as to prevent a likelihood of confusion by the public and otherwise take the steps that we specify to de-identify the Restaurant, including permanently removing all Trademarks and Trade Dress from the Restaurant's walls and altering the Restaurant's color scheme, layout and other aspects of the Trade Dress associated with BWW-GO Restaurants.

You must provide us written evidence (including pictures, as applicable) of your compliance with this Section 14.B upon our request. If you fail to comply with any of your obligations under this Section 14.B, then, without limiting our other rights and remedies under this Agreement or applicable law, we or our designee may take any action that this Section 14.B requires on your behalf and at your expense, including by entering the Authorized Location and adjacent areas, without prior notice or liability, to remove the items and/or make the alterations that this Section 14.B requires. The "De-identification Date" means: (i) the closing date of our (or assignee's) purchase of the Purchased Assets pursuant to Section 14.E; or (ii) if that closing does not occur, the date upon which the option under Section 14.E expires or the date upon which we provide you written notice of our decision not to exercise that option, whichever occurs first. If we or our assignee acquires the Purchased Assets under Section 14.E, then your obligations under Sections 14.B(3) and (4) will be void and of no force or effect.

C. Return of Confidential Information. You must immediately cease all use of and return to us (at your expense) all copies of the manuals, product preparation materials and other Confidential Information (including all Customer Data) then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.J.

D. Noncompete Covenants. You (and all Restricted Persons) must immediately comply with the post-term noncompete obligations under Section 10.D.

E. Purchase Option. We have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration (the "Exercise Notice"), to purchase all or any portion of the assets of your Restaurant owned by you or any of your affiliates that we then designate, including the building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements and inventory of the Restaurant (the assets we elect to purchase are called the "Purchased Assets"), in accordance with this Section 14.E. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the Restaurant and its assets, to determine whether to exercise our option under this Section 14.E.

1. Real Property Interest. If you or your affiliate owns the Authorized Location, we may elect to include a fee simple interest in the Authorized Location as part of the Purchased Assets or, at our option, lease the Authorized Location from you or that affiliate for an initial five (5)-year term with one (1) renewal term of five (5) years (at our option) on commercially reasonable terms. You (and your Principal Owners) agree to cause your affiliate to comply with these requirements. If you lease the Authorized Location from an unaffiliated lessor, you agree (at our option) to assign the lease to us or

to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease, although we will not assume any past due obligations.

2. Price and Appraisal. The purchase price for the Purchased Assets (the “Purchase Price”) will be their fair market value for use in the operation of a Competitive Business at a location other than the Authorized Location, but not BWW-GO Restaurant as a going concern, because you would no longer have the right to operate the Restaurant as a BWW-GO Restaurant under this Agreement after this Agreement terminates or expires. The Purchase Price also will not include any value for any rights granted by this Agreement, goodwill attributable to the Trademarks, our brand image or Trade Dress, any Confidential Information or our other intellectual property rights, or participation in the network of BWW-GO Restaurants. If we and you cannot agree on the Purchase Price for the Purchased Assets, it will be determined by three (3) independent appraisers, each of whom in doing so will be bound by the criteria specified in this Section 14.E(2) (or Section 11.G(3), as applicable). We will appoint one appraiser, you will appoint one appraiser, and these two appraisers will appoint the third appraiser. We and you each agree to appoint the respective appraisers within fifteen (15) days after we deliver the Exercise Notice (if we and you have not agreed on the Purchase Price before then), and the two appraisers so chosen must appoint the third appraiser within ten (10) days after the last of them is appointed. If either we or you do not appoint the respective appraiser by that deadline, then the other party’s appointed appraiser shall be the sole appraiser to determine the Purchase Price under this Subsection (2). We and you each will bear the costs of our and your own appointed appraiser and share equally the fees and expenses of the third appraiser. Within thirty (30) days after we deliver the Exercise Notice, each party shall submit its respective calculation of the Purchase Price to the appraisers in such detail as the appraisers request and according to the criteria specified in Subsection (2) (or Section 11.G(3), as applicable). Within ten (10) days after receiving both calculations, the appraisers shall determine, by a majority vote, and notify us and you which of the calculations is the most correct. The appraisers must choose either our or your calculation and may not develop their own fair market value calculation. The appraisers’ choice shall be the Purchase Price.

3. Restaurant Management. While we are deciding whether to exercise our option under this Section 14.E, and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of the purchase, you must continue to operate the Restaurant according to this Agreement. However, we may, at any time during that period, enter the Authorized Location and assume the management of the Restaurant ourselves or appoint a third party (who may be our affiliate) to manage the Restaurant. All funds from the operation of the Restaurant while we or our appointee manage it will be kept in a separate account, and all of the expenses of the Restaurant will be charged to that account. We or its appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to three percent (3%) of the Restaurant’s Gross Sales during the period of management, plus any direct costs and expenses associated with the management. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses or obligations the Restaurant incurs, or to any of your creditors for any products or services the Restaurant purchases, while managing it. You may not take any action or fail to take any action that would interfere with our or our appointee’s exclusive right to manage the Restaurant.

4. Closing. We will pay the Purchase Price at the closing, which will take place within sixty (60) days after the Purchase Price is determined. We may set off against the Purchase Price, and reduce the Purchase Price by, any and all amounts you owe us or our affiliates, any liabilities that we (at our option) choose to assume, and any amounts that must be paid to lenders or other parties to obtain clear title to the Purchased Assets. We may (at our option) prepare the purchase agreement and related documents for the transaction. Under that purchase agreement we must receive, and you and your Owners agree to provide, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in an entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant or your business prior to the closing.

5. Assignment. We may assign our rights under this Section 14.E to any entity (who may be our affiliate), and that entity will have all of the rights and obligations under this Section 14.E.

F. Restriction on Sale of Authorized Location. For two (2) years beginning on the effective date of expiration or termination, you agree that neither you nor any of your Owners or affiliates will engage in any transfer, lease/sublease or other transaction the result of which is that a Competitive Business (other than a BWW-GO Restaurant under an effective agreement with us) is operated at the Authorized Location, including by any unaffiliated third party. You agree to obtain (and/or to cause your Owners or affiliates to obtain) an agreement from any subtenant, transferee or other party occupying the Authorized Location pursuant to or as a result of any arrangement with you (or you Owner or affiliate), which is expressly enforceable by us as a third party beneficiary, that the Authorized Location will not be operated as a Competitive Business during such period.

G. Survival. All of our and your (and your Owners') obligations under this Agreement which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

#### GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, we and you agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. We and you agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement. It is the intent and expectation of each

of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered, amended or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the Restaurant. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement and are not binding on us. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your Restaurant. There are no representations or warranties of any kind, express or implied, except as contained herein and in the aforesaid application. However, nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

C. Acknowledgements. Prior to the execution of this Agreement, you have had ample opportunity to contact existing franchisees of BWW-GO and to investigate all aspects of the BWW-GO Restaurant opportunity. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves substantial business risks making the success of the venture largely dependent upon the personal efforts of you and your management and employees. Except as set forth in the Franchise Disclosure Document, you have not received from us or our affiliates any express or implied warranty or guaranty regarding the potential sales, income, profits, or success of the business venture contemplated by this Agreement.

D. Notices. Except as otherwise provided in this Agreement (including with respect to updates to the manuals and as otherwise set forth in the manuals), any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

1. If intended for us, addressed to General Counsel, Buffalo Wild Wings International, Inc., Three Glenlake Parkway NE, Atlanta, Georgia 30328; or
2. If intended for you, addressed to you at the address listed on the cover page to this Agreement or at the Authorized Location;

or, in either case, as the intended party may change such address by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section 15.D.

E. Authority. Any modification, consent, approval, authorization or waiver granted hereunder will be valid only if in writing executed by the Control Person or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

F. References. If the franchisee is two or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement include all of the individuals. References to Sections and Appendices shall mean the applicable Section of or Appendix to this Agreement. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement. The words “include,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

G. Successors/Assigns. Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

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

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Our rights under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this Agreement will not preclude our exercise or enforcement of any other right or remedy under this Agreement which we are entitled by law to enforce.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System or BWW-GO Restaurants generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System or BWW-GO Restaurants include enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System or BWW-GO Restaurants.

I. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other nor represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, we shall have no liability in connection with or related to

the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

J. Force Majeure. Any failure of performance of this Agreement according to its terms by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, “force majeure” shall mean acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy, supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party hereto, which prevents in whole or in material part the performance by one of the parties hereto of its obligations hereunder. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of amounts owed at the time of the occurrence or payment of Royalty Fees, Brand Fund contributions and other amounts due thereafter.

K. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any BWW-GO Restaurants or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such restaurant, franchisee’s business or the System. We are not required to grant to you a similar or other variation as a result of any variation granted to any other BWW-GO Restaurant.

L. No Liability for Our Related Parties. You agree that none of our past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for: (i) any of our obligations or liabilities relating to or arising from this Agreement; (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us; or (iii) any claim against us based on any of our alleged unlawful acts or omissions.

M. Representations and Warranties. To induce us to sign this Agreement and grant you the rights under this Agreement, you represent, warrant and acknowledge that:

1. neither you nor any of your Owners, nor any of your or their property or interests, is subject to being blocked under, and you and your Owners are otherwise in full compliance with, all laws, ordinances and regulations, including Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and any other federal, state, or local law, ordinance, regulation, policy, list or other requirement of any governmental authority addressing or in any way relating to terrorist acts or acts of war;

2. you have independently investigated and evaluated the opportunity of investing in the restaurant industry generally and specifically the BWW-GO Restaurant franchise opportunity, including the current and potential market conditions and competitive factors and risks, and recognize that, like any other business, the nature of a BWW-GO Restaurant’s business will evolve and change over time;

3. the Buffalo Wild Wings GO® brand and concept were launched in May 2020, there are few BWW-GO Restaurants operating as of the Effective Date, and there is no guarantee or assurance that the Buffalo Wild Wings GO® brand and concept will be successful in the marketplace or that we will not make significant modifications to the System, brand and concept as they are further developed; and

4. you, or your parent or one of your affiliates, is an entity that has been in business for at least five (5) years and has a net worth of at least \$6,165,500.

**IN WITNESS WHEREOF**, the parties have executed this Franchise Agreement on the dates written below.

**US:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

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

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

**YOU:**

\_\_\_\_\_

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

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



Appendix A to the Franchise Agreement

**Ownership and Management Appendix**

1. Control Person. You represent and warrant to us that the following person, and only the following person, is the Control Person as of the effective date of this Appendix:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
<hr/>		

2. Principal Owner. The following person(s) are the Principal Owners as of the effective date of this Appendix:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
<hr/>		
<hr/>		
<hr/>		

3. Ownership. You represent and warrant to us that the following person(s) and entities, and only the following person(s) and entities, have ownership or other equity interests in the franchisee entity (whether directly or indirectly) as of the effective date of this Appendix:

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>PERCENTAGE OF INTEREST</u>
<hr/>		
<hr/>		
<hr/>		

4. Date. This Appendix is effective as of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Our Initials

\_\_\_\_\_  
Your Initials

Appendix B to the Franchise Agreement

**Principal Terms Appendix**

1. Authorized Location. The Authorized Location for your BWW-GO Restaurant is \_\_\_\_\_.
  
2. Designated Area. The Designated Area is defined as follows: \_\_\_\_\_. The Designated Area may also be defined in the map attached to this Appendix B. If there is an inconsistency between the attached map and this paragraph 2, then this paragraph 2 shall control.
  
3. Required Open Date. The Required Open Date is \_\_\_\_\_, 202\_\_.
  
4. Initial Franchise Fee. The Initial Franchise Fee is \$30,000. We will apply \$15,000 of the Development Fee that you (or your affiliate) paid under the Area Development Agreement that covers this Agreement towards that Initial Franchise Fee.
  
5. Royalty Fee. The Royalty Fee is six percent (6%) of the Restaurant's Gross Sales.

\_\_\_\_\_  
Our Initials

\_\_\_\_\_  
Your Initials

Appendix C to the Franchise Agreement

**Personal Guaranty and Agreement to be Bound Personally  
by the Terms and Conditions of the Franchise Agreement**

In consideration of the execution of the Buffalo Wild Wings GO® Franchise Agreement (the “Agreement”) between BUFFALO WILD WINGS INTERNATIONAL, INC. (“we” or “us”) and \_\_\_\_\_(the “Franchisee”), dated \_\_\_\_\_, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the confidentiality, innovations and non-compete provisions in Sections 6.J, 6.P and 10.D, and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned waive: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

FRANCHISEE:

PERSONAL GUARANTORS:

Individually

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

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

Telephone: \_\_\_\_\_

Individually

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

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

Telephone: \_\_\_\_\_

Individually

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

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

Telephone: \_\_\_\_\_

Individually

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

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

Telephone: \_\_\_\_\_

Appendix D to the Franchise Agreement

**Lease Addendum**

This Addendum to Lease (“Addendum”), dated \_\_\_\_\_, 20\_\_\_, is entered into between \_\_\_\_\_ (“Landlord”), and \_\_\_\_\_ (“Tenant”).

RECITALS

- A. The parties have entered into a Lease Agreement, dated \_\_\_\_\_, 20\_\_\_, (the “Lease”) pertaining to the premises located at \_\_\_\_\_ (the “Premises”).
- B. Landlord acknowledges that Tenant has agreed to operate a Restaurant at the Premises pursuant to Tenant’s Franchise Agreement (the “Franchise Agreement”) with Buffalo Wild Wings International, Inc. (“BWW”) under the name “Buffalo Wild Wings GO” or other name designated by BWW (the “Restaurant”).
- C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum to provide BWW the opportunity to preserve the Premises as a BWW branded restaurant as provided herein.

AGREEMENT

Landlord and Tenant agree to amend the Lease as follows:

- 1. Remodeling and Decor. Landlord agrees that Tenant has the right to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a Restaurant on the Premises. Any remodel of the building and/or its signs shall be subject to Landlord’s prior and reasonable approval.
- 2. Assignment by Tenant.
  - (a) Tenant does not have the right to sublease or assign the Lease to any third party without BWW’s (and, to the extent required under the Lease and subject to the provisions of this Addendum, Landlord’s) written approval.
  - (b) So long as Tenant is in not in default under the Lease beyond any applicable notice and cure periods (as they may be extended with respect to BWW pursuant to Section 3(a) below), Tenant has the right to assign all of its right, title and interest in the Lease to BWW, its affiliates or its parent company, during the term of the Lease, including any extensions or renewals, without first obtaining Landlord’s consent. No assignment will be effective, however, until BWW or its designated affiliate (the “BWW Entity”) gives Landlord written notice of its acceptance of the assignment. The BWW Entity will be responsible only for the Lease obligations and liabilities incurred after the effective date of the assignment and only until such time as the Lease is further assigned pursuant to Section 2(c).
  - (c) If the BWW Entity elects to assume the Lease, under this Section 2 or unilaterally assumes the lease as provided for in Section 3(a) or 4, Landlord and Tenant agree that (i) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption, and (ii) the BWW Entity will

have the right to assign or sublease the Premises to another franchisee with Landlord's prior reasonable approval (not to be unreasonably withheld, conditioned or delayed), provided the franchisee meets BWW's then current standards and requirements for franchisees and agrees to operate the Restaurant as a BWW-GO Restaurant pursuant to a Franchise Agreement with BWW. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease, the applicable BWW Entity shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by Landlord.

3. Default and Notice.

- (a) Landlord shall send BWW copies of all notices of default it gives to Tenant concurrently with giving such notices to Tenant. If Tenant fails to cure any defaults within the period specified in the Lease, Landlord shall promptly give BWW written notice thereof, specifying the defaults Tenant failed to cure. BWW (directly or through any affiliate) has the right, but not the obligation, to unilaterally assume the Lease if Tenant fails to cure. BWW shall have 15 days from the date BWW receives such notice to exercise, by written notice to Landlord and Tenant, its right for BWW or a BWW Entity to assume the Lease. BWW or the BWW Entity shall have an additional 15 days from the expiration of Tenant's cure period in which to cure the default or violation.
- (b) All notices to BWW must be sent by registered or certified mail, postage prepaid, to the following address:

Buffalo Wild Wings International, Inc.  
Three Glenlake Parkway NE  
Atlanta, GA 30328  
Attention: General Counsel

BWW may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and BWW of any change in Landlord's mailing address to which notices should be sent.

4. Termination, Non-Renewal, Expiration.

- (a) If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension thereof, BWW (directly or through any affiliate) has the right, but not the obligation, to unilaterally assume the Lease by giving Landlord written notice. Within 30 days after receipt of such notice, Landlord shall give BWW written notice specifying any defaults of Tenant under the Lease.
- (b) If the Lease contains term renewals or extension(s) and if Tenant allows the term to expire without exercising said right(s), Landlord shall give BWW written notice thereof, and a BWW (directly or through any affiliate) shall have the option, for thirty (30) days after receipt of said notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If a BWW Entity elects to exercise such rights(s), it shall so notify Landlord in writing, whereupon Landlord and BWW Entity shall execute and deliver an agreement whereby the BWW Entity assumes the Lease effective at the commencement of the extension or renewal term.

5. Access to Premises Following Expiration or Termination of Lease. Upon the expiration or termination of the Lease, Landlord will cooperate with and assist the BWW Entity in gaining possession of the Premises and if a BWW Entity does not elect to enter into a new lease for the Premises with Landlord on terms reasonably acceptable to the BWW Entity, Landlord will allow BWW to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, except for any damages caused by BWW's willful misconduct or gross negligence, to remove all signs, awnings, and all other items identifying the Premises as a BWW-GO RESTAURANT and to make such other modifications (such as repainting) as are reasonably necessary to protect the BUFFALO WILD WINGS® or BUFFALO WILD WINGS GO® marks and system. In the event BWW (directly or through any affiliate) exercises its option to purchase assets of Tenant, Landlord must permit BWW or its affiliate to remove all such assets being purchased.
  
6. Additional Provisions.
  - (a) Landlord hereby acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and the Tenant would not lease the Premises without this Addendum.
  
  - (b) Landlord further acknowledges that Tenant is not an agent or employee of BWW and the Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind BWW or any affiliate of BWW, and that Landlord has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against BWW or any affiliate of BWW, unless and until the Lease is assigned to, and accepted in writing by, BWW or its parent company.
  
  - (c) The BWW Entity may elect not to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining BWW's prior written approval, which shall not be unreasonably withheld or delayed.
  
7. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by Landlord, Tenant and the parties and BWW.
  
8. Reaffirmation of Lease. Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease remain in full force and effect and are incorporated by reference and made a part of this Addendum as though copied herein in full. In the event of any conflict between the terms of this Addendum and those in the Lease, the terms of this Addendum shall control.
  
9. Beneficiary. Landlord and Tenant expressly agree that BWW is a third party beneficiary of this Addendum with independent enforcement rights.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

TENANT:

LANDLORD:

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

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

Appendix E to the Franchise Agreement

**AFFILIATED SELLER AGREEMENT**

This Affiliated Seller Agreement (“ASA”) dated \_\_\_\_\_ is among Gift Solutions, LLC f/k/a/ ValueLink, LLC, d/b/a First Data Prepaid Services (“FDPS”), \_\_\_\_\_ (“**Affiliated Seller**”) and Blazin Wings Inc. (“**Client**”). Client and FDPS entered into a Stored Value Card Processing Agreement dated March 20, 2009, as amended and supplemented from time to time (the “**Client Agreement**”). The undersigned Affiliated Seller desires to receive and FDPS desires to provide Services in accordance with the Client Agreement terms and the terms of this ASA.

1. **Representations and Warranties of Affiliated Seller.** Affiliated Seller represents and warrants that Affiliated Seller: (i) has received and reviewed a true and correct copy of the Client Agreement from Client; and (ii) subject to the limitations provided in this ASA, agrees to be bound by the Client Agreement to the same extent as if it were “**Client**” whenever the context requires Client performance (and irrespective of whether or not the term “**Client**” is expressly mentioned.) Affiliated Seller hereby appoints Client as its representative with FDPS for all matters arising out of or relating to the Client Agreement including all matters that involve Client Agreement negotiation, modification and/or dispute resolution. Affiliated Seller agrees that Affiliated Seller will be solely responsible for communicating with Client concerning the status of such matters and the Client Agreement. Affiliated Seller represents and warrants that FDPS will be entitled to communicate information concerning Affiliated Seller, including its Confidential Information, its Program, Program Procedures, Cardholders and Card Data to Client and to rely upon any statements made by Client related thereto to the same extent as if FDPS were dealing directly with a duly authorized Affiliated Seller representative.
2. **Client Agreement.** Client agrees to be jointly and severally liable for Affiliated Seller obligations arising out of the Client Agreement. Each Affiliated Seller shall not be responsible for the obligations of the Client or another Affiliated Seller, arising out of the Client Agreement. Affiliated Seller agrees that Affiliated Seller’s rights under this ASA will terminate immediately without need of notification from FDPS on termination or expiration of this ASA.
3. **Issuance of Cards.** Notwithstanding anything to the contrary in this ASA, (i) Client will be the sole issuer of all Cards issued under the Program, including with respect to all Cards sold at locations operated by Affiliated Sellers, and (ii) Client will be solely responsible for the responsibilities set forth in Section 3(b) of the Client Agreement.
4. **Indemnification.** The Client agrees to indemnify the Affiliated Seller for escheatment claims by any State as follows:
  - A. For escheatment claims related to Cards sold at any time period prior to September 15, 2007, the Client provides no indemnification.
  - B. For escheatment claims related to Cards sold during the time between September 15, 2007 and September 15, 2008, the Client will indemnify the Affiliated Seller up to the amount remitted by the Affiliated Seller to the Client for this period of time.
  - C. For escheatment claims related to Cards sold after September 16, 2008, the Client will indemnify the Affiliated Seller up to the amount remitted by the Affiliated Seller to the Client for this period of time.



5. **Limitation of Liability.** Anything to the contrary notwithstanding, Affiliated Seller agrees that FDPS' cumulative aggregate liability under Client Agreement to Client and all Affiliated Sellers will be subject to the limitations set forth in Section 14 of the Client Agreement. For example, if Client and one additional Affiliated Seller participate under the Client Agreement, FDPS' cumulative aggregate liability to Client and such Affiliated Seller for direct damages will not exceed two hundred fifty thousand dollars (\$250,000.00) and will not include any liability for claims arising out of or relating to services and/or items supplied by the Card Company.
  
6. **Conflict.** Should a conflict exist between the provisions of the Client Agreement and this ASA, this ASA will control. Terms in initial capital letters or all capital letters used as a defined term but not defined in this ASA will have the meaning set forth in the Client Agreement. References to this ASA in any document now or hereafter attached to or referenced to this ASA will mean this ASA as amended or supplemented from time to time.

**IN WITNESS WHEREOF**, the Parties have caused this ASA to be executed by their authorized representatives as of the date first set forth above.

AFFILIATED SELLER

Gift Solutions

Address:

5565 Glenridge Connector Ste 2000  
Atlanta, GA 30342-4739

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

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

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

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

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

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

BLAZIN WINGS INC.  
Three Glenlake Parkway NE  
Atlanta, GA 30328

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

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

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

Appendix F to the Franchise Agreement

Incentives Amendment

This Incentives Amendment to the Franchise Agreement (the “**Amendment**”) is made and entered into on \_\_\_\_\_ (the “**Effective Date**”), by and between BUFFALO WILD WINGS INTERNATIONAL, INC. (“**we,**” “**us,**” or “**our**”) and \_\_\_\_\_ (“**you**” or “**your**”).

**BACKGROUND**

A. We and you signed that certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”), pursuant to which Franchisee shall operate a BWW-GO Restaurant located at \_\_\_\_\_ (the “**Restaurant**”). Unless otherwise specified, all initial capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Franchise Agreement.

B. We and you are signing this Amendment because we have committed, upon the satisfaction of certain conditions, to modify certain requirements under the Franchise Agreement to reflect incentives we currently offer or previously offered.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual promises contained herein and in the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Initial Franchise Fee.** Notwithstanding anything to this contrary in the Franchise Agreement, we will credit you all or a portion of the initial franchise fee you pay towards your Royalties once the Restaurant opens if you qualify for one of the incentives set forth below:

a. **Standard Adopter Incentive Program.** Under our “**Standard Adopter Incentive Program**,” if you (i) open and begin operating the Restaurant in accordance with the Franchise Agreement (including, but not limited to, Sections 5.A, 5.B, 5.C, 5.F, 6.A, 6.B, 6.C, 6.D, 6.F, and 9.G of the Franchise Agreement) on or before \_\_\_\_\_ (the “**SAIP Opening Deadline**”), (ii) provide to us a report identifying the amounts that you spend in various categories relating to the development and opening of the Restaurant in accordance with Section 5.B of the Franchise Agreement, and (iii) build the Restaurant in the design, to the specifications, and at the Authorized Location approved by us in accordance with Sections 2.A and 5.B of the Franchise Agreement, then we agree to credit an amount equal to the initial franchise fee you paid under the Franchise Agreement plus the portion of the development fee that we credit towards that initial franchise fee (the “**SAIP IFF Credit**”), towards the Royalties owed under the Franchise Agreement. If you fail to satisfy any of the conditions listed in (i) through (iii) above, the Standard Adopter Incentive Program, including the SAIP IFF Credit and reduced Royalty Fees set forth in Section 2 below, will not apply to the Restaurant.

2. **Royalty Fee.** Notwithstanding Section 9.B of the Franchise Agreement, if you qualify for the Standard Adopter Incentive Program, then in addition to providing the credit towards the Royalty Fee set forth in Section 1 above, the Royalty Fee will be amended as set forth below:

<b>Time Period</b>	<b>% of Gross Sales</b>
First 12 months of operation	
Months 13-24 of operation	
Months 25-36 of operation	
Remaining term of Franchise Agreement	

Notwithstanding the foregoing, if you meet the requirements of the Standard Adopter Incentive Program set forth above with respect to the Restaurant, and you open and begin operating the applicable Restaurant in accordance the Franchise Agreement at least three (3) months before the SAIP Opening Deadline, then the Royalty Fee will be zero percent (0%) of Gross Sales accrued for the first six (6) months that the Restaurant is open for business, and the Royalty Fee rates described in the table above will apply beginning six (6) months after the Restaurant's actual opening date.

3. **Miscellaneous.** The Background is incorporated into this Amendment by this reference. This Amendment is an amendment to, and forms a part of, the Franchise Agreement. If there is an inconsistency between this Amendment and the Franchise Agreement, the terms of this Amendment shall control. This Amendment, together with the Franchise Agreement, constitutes the entire agreement among the Parties hereto, and there are no other oral or written representations, understandings or agreements among them, relating to the subject matter of this Amendment. Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed.

*[signature page to follow]*

**IN WITNESS WHEREOF**, the parties have executed this Incentive Amendment the dates written below.

YOU:

\_\_\_\_\_

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

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

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

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

US:

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**

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

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

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

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

**EXHIBIT D**

**AREA DEVELOPMENT AGREEMENT**

**Buffalo Wild Wings GO® Restaurant  
Area Development Agreement**

**between**

**Buffalo Wild Wings International, Inc.  
Three Glenlake Parkway NE  
Atlanta, GA 30328**

**and**

---

---

Name of Developer(s)

---

Street Address

---

City    State    Zip Code

---

Phone Number

Effective Date:

---

(To be completed by us)

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APPENDICES

- A. Ownership and Management Appendix
- B. Development Schedule and Development Fee Appendix
- C. Development Territory Appendix
- D. Development Incentives Amendment

BUFFALO WILD WINGS-GO RESTAURANT

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made as of the Effective Date listed on the cover page to this Agreement (the “Effective Date”) between BUFFALO WILD WINGS INTERNATIONAL, INC., an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we” or “us”) and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you”).

RECITALS

A. Our parent company has developed a system for developing and operating restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption, operate under the System (defined below), and are primarily identified by the Buffalo Wild Wings GO® brand and/or other Trademarks (defined below) (“BWW-GO Restaurants”);

B. Our parent company owns the BUFFALO WILD WINGS® and BUFFALO WILD WINGS GO® Trademarks and other trademarks used in connection with the operation of a BWW-GO Restaurant;

C. Our parent company has granted to us the right to sublicense the right to develop and operate BWW-GO Restaurants; and

D. You desire to develop and operate several BWW-GO Restaurants and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “Developer Subsidiary” means a corporation, limited liability company or other business entity of which you own (directly or indirectly) at least eighty percent (80%) of the issued and outstanding ownership interests that you designate to sign a Franchise Agreement for one or more of the Restaurants developed pursuant to this Agreement.

B. “Franchise Agreement” means our then current form of franchise agreement and related documents for the operation of a BWW-GO Restaurant, the terms of which may differ from the franchise agreement that is signed upon signing this Agreement, including higher fees and changes to the manner of defining the designated area (based on our then current criteria for defining designated areas) and/or the rights in the designated area, subject to the provisions of Section 4.B.

C. “Menu Items” means the chicken wings, chicken tenders and other products and beverages prepared according to our specified recipes and procedures, as we may modify and change them from time to time, that we periodically authorize for sale at BWW-GO Restaurants.

D. “Owner” means, if you are a corporation, limited liability company, partnership or other business entity, any individual or entity holding a direct or indirect ownership or other equity



interest in you (whether of record, beneficially, or otherwise), whether directly or through one or more intermediary entities, including any interest that allows the holder of that interest (whether directly or indirectly) to direct or participate in the direction of the management of you or your business (such as a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, you or your business. Your Owner(s) as of the Effective Date are identified on the Ownership and Management Appendix attached to this Agreement as Appendix A. Every time there is a change in the persons who are your Owners, then without limiting our rights and your other obligations, you must, within ten (10) days after the date of each such change, update the Ownership and Management Appendix.

E. “Restaurants” means the BWW-GO Restaurants you or a Developer Subsidiary develops pursuant to this Agreement.

F. “Restricted Persons” means, individually and collectively, you, your affiliates, all of your officers and directors, and all of your Owners.

G. “System” means the Buffalo Wild Wings GO® Restaurant franchise system, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with distinctive storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials, and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures, together with sales promotion programs, all of which we may modify and change from time to time.

H. “Trade Dress” means the designs, color schemes, image and other elements of trade dress that we authorize you to use in the operation of Restaurants from time to time, as we may periodically modify them.

I. “Trademarks” means the Buffalo Wild Wings GO® trademark and service mark and other trademarks, service marks, trade names and logos, as we may modify and change them from time to time, and the Trade Dress and other commercial symbols used in the operation of Restaurants.

## GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. Grant of Rights. We grant to you, under the terms and conditions of this Agreement, the right (directly or through Developer Subsidiaries) to develop and sign Franchise Agreements to operate the number of new Restaurants identified on the Development Schedule and Development Fee Appendix attached to this Agreement as Appendix B within the territory described on the Development Territory Appendix attached to this Agreement as Appendix C (the “Development Territory”).

B. Development Schedule. You agree to comply with the development schedule set forth on the Development Schedule and Development Fee Appendix (the “Development Schedule”). Time is of the essence for the development and opening of each Restaurant in accordance with the Development Schedule. Each Restaurant must be developed and operated pursuant to a separate Franchise Agreement that you or a Developer Subsidiary signs with us pursuant to Section 4.B below.

C. Development Territory and Non-Traditional Locations. Provided that you and your affiliates are in compliance with the terms of this Agreement and any other agreements with us and our affiliates relating to any BWW-GO Restaurants, including all Franchise Agreements signed pursuant to this Agreement, then we and our affiliates will not open and operate, or grant to anyone else a license or franchise to open and operate, a BWW-GO Restaurant the physical premises are located within the Development Territory so long as this Agreement is in effect, except for BWW-GO Restaurants located at Non-Traditional Locations (defined below) within the Development Territory. You acknowledge that the consumer service area, delivery area or trade area of another BWW-GO Restaurant may overlap with your Development Territory. However, if the Development Territory covers more than one city, county, designated market area or target area identified on the Development Territory Appendix (each “Target Area”), then the territorial protection under this Section 2.C for each Target Area shall expire upon the earlier of (i) the expiration or termination of this Agreement, or (ii) the date upon which you or a Developer Subsidiary signs a Franchise Agreement for a Restaurant to be developed in such Target Area. When the territorial protection under this Section 2.C expires with respect to the Development Territory or Target Area (as applicable), then we and our affiliates will thereafter be entitled to open and operate, and grant to anyone else a license or franchise to open and operate, BWW-GO Restaurants the physical premises of which are located within the Development Territory or Target Area (as applicable), except as may be otherwise provided under any Franchise Agreement then in effect between us and you (or your Developer Subsidiary).

You acknowledge and agree that certain locations within and outside the Development Territory are by their nature separate in character from sites generally developed as BWW-GO Restaurants. As a result, you agree that the following locations (“Non-Traditional Locations”) are excluded from the Development Territory, and we and our affiliates have the right to open and operate, or grant to anyone else a license or franchise to open and operate, BWW-GO Restaurants at such locations, whether those locations are within or outside the Development Territory: any permanent or temporary food service facility that operates (1) under one or more of the Trademarks and all or part of the System, and (2) at locations that do not feature unlimited and unrestricted access to the general public. Non-Traditional Locations include, but are not limited to: (a) military bases and other governmental facilities; (b) universities, schools and other education facilities; (c) airports, train stations, toll plazas and other public or restricted-access transportation facilities or terminals; (d) stadiums, arenas, theaters and other sports and entertainment venues; (e) amusement parks, theme parks, museums, zoos, and other similar public facilities; (f) cafeterias, food courts and other foodservice locations within shopping centers, shopping malls, office buildings/corporate campuses, industrial buildings, and department stores, grocery stores, and similar retail stores; (g) hotels, casinos and convention centers; (h) hospitals, nursing facilities and other medical facilities; and (i) reservations and other sovereign territories.

D. Nonexclusivity; Our Reservation of Rights. Your rights under this Agreement are limited to the right to sign Franchise Agreements to develop and operate Restaurants located in the Development Territory, and do not include: (i) any right to sell Menu Items or any other products, whether identified by the Trademarks or other trademarks, at or from any location or through any channels or methods of distribution, or (ii) any right to sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution.

We (on behalf of ourselves and on behalf of any other entity which we may acquire, or be acquired by, or otherwise are or become affiliated with) retain all rights not expressly granted in this Agreement and shall at all times have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by this Agreement. By way of example and without limitation, this includes:

1. establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, BWW-GO Restaurants at any locations (a) outside the Development Territory, (b) at any Non-Traditional Locations within or outside the Development Territory, and (c) within a former Target Area once you (or your Developer Subsidiary) sign a Franchise Agreement in that Target Area;

2. establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, restaurants and other foodservice establishments (including Buffalo Wild Wings® sports bars) or any similar or dissimilar businesses that either are not primarily identified by the Buffalo Wild Wings GO® Trademark or do not operate under the System at any locations, whether within or outside the Development Territory;

3. all rights relating directly or indirectly to the Trademarks, and all Menu Items and other products and services associated with any of the Trademarks, in connection with any methods of distribution, except as specifically set forth in Section 2.C. This includes providing, and granting rights to others to provide (except as specifically set forth in Section 2.C), products and services that are similar or dissimilar to, or competitive with, any Menu Items and other products and services provided at BWW-GO Restaurants, whether identified by the Trademarks or other trademarks or service marks, regardless of the method of distribution and at any area or location, including providing, and granting others the right to provide: (a) through other BWW-GO Restaurants, Buffalo Wild Wings® sports bars, and/or other methods of distribution, catering and delivery services for Menu Items and other products and services within or outside the Development Territory, and (b) any frozen items, pre-packaged items or other products or services associated with BWW-GO Restaurants (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, through any channels of distribution such as grocery stores, club stores, convenience stores, wholesale, hospitals, clinics, health care facilities, business or industry locations (e.g. manufacturing sites and office buildings), military installations, military commissaries or the internet (or any other existing or future form of electronic commerce); and

4. acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by, a one or more businesses providing products and services similar or dissimilar to those provided at BWW-GO Restaurants, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Development Territory.

E. Ownership. You represent and warrant to us that the Ownership and Management Appendix reflects all of your Owners and their direct or indirect ownership or other equity interests in you as of the Effective Date.

F. No Right to Use Trademarks. This Agreement is not a franchise agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a restaurant or other business or to use the System or the Trademarks.

## DEVELOPMENT FEE

3. You must pay a Development Fee as described below:

A. As consideration for the rights granted in this Agreement, you must pay us a Development Fee listed on the Development Schedule and Development Fee Appendix. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon execution of this Agreement and is non-refundable. The Development Fee is credited against the Initial Franchise Fee payable upon the signing of each individual Franchise Agreement as specified in Section 3.B or the Development Schedule and Development Fee Appendix.

B. Upon our acceptance of the site for a Restaurant pursuant to Section 4, you (or an approved Developer Subsidiary) must sign a separate Franchise Agreement for that Restaurant. We may apply a portion of the Development Fee towards the payment of the Initial Franchise Fee for that Restaurant as set forth on the Development Schedule and Development Fee Appendix. Upon the execution of each Franchise Agreement, the terms and conditions of that Franchise Agreement control the establishment and operation of the applicable Restaurant.

## DEVELOPMENT SCHEDULE

4. The following provisions control with respect to your development rights and obligations:

A. Development Schedule. You are bound by and must strictly follow the Development Schedule. By the applicable dates set forth under the Development Schedule, you (or a Developer Subsidiary whom we approve) must (i) submit site packages for proposed Restaurant sites that you reasonably believe conform to our then current site selection criteria, in the form and containing the information that we periodically specify, for the number of sites described under the Development Schedule; (ii) enter into Franchise Agreements with us pursuant to this Agreement for the number of new Restaurants described under the Development Schedule; and (iii) open and begin operating the number of new Restaurants described under the Development Schedule in accordance with the applicable Franchise Agreements. You also must comply with the Development Schedule requirements regarding the cumulative number of Restaurants to be open and continuously operating for business in the Development Territory throughout the term of this Agreement.

B. Development Policies and Franchise Agreement. You must comply with our development policies, as we periodically modify them, with respect to each proposed site for a Restaurant to be developed in the Development Territory and each Franchise Agreement to be signed for a Restaurant in the Development Territory. This includes sending us a complete site report (containing such demographic, commercial, market and other information and photographs as we may periodically specify) for each proposed site, and information on your (or your Developer Subsidiary's) financial and operational ability to develop and operate the proposed Restaurant, along with sending us information necessary to complete each Franchise Agreement, all on the schedule that we periodically specify in our development policies.

1. Our Acceptance of the Proposed Site. You must receive our written acceptance of your proposed site for the Restaurant before we will issue a Franchise Agreement for that Restaurant. We agree not to unreasonably withhold acceptance of a proposed site. In reviewing any proposed site, we will consider such matters as we deem material, including demographic characteristics of the proposed site, traffic patterns,

competition, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase or lease obligations for the proposed site) and the size of premises, appearance and other physical characteristics.

Despite any assistance, information or recommendations that we provide with respect to any site, we have made and will make no representations or warranties of any kind, express or implied, of the suitability of any site for a BWW-GO Restaurant or any other purpose. Our recommendation or acceptance of a site indicates only that we believe that the site meets or has the potential to meet, or that we have waived, the general criteria of site acceptability that we have established as of that time. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after we recommend or accept a site, demographic and/or other factors included in or excluded from our site criteria could change, thereby altering a site's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site fails to meet our or your expectations.

2. Financial Qualifications and Good Standing. We need not issue a Franchise Agreement if you (or your proposed Developer Subsidiary) do not then meet our then current financial and operational standards and qualifications for new BWW-GO Restaurant operators. We also need not issue a Franchise Agreement pursuant to this Agreement if you or any of your affiliates are in default under this Agreement, any Franchise Agreement entered into pursuant to this Agreement, or any other agreement between you or any of your affiliates and us or any of our affiliates relating to a BWW-GO Restaurant, or have not satisfied on a timely basis all monetary and other material obligations under the Franchise Agreements for all existing Restaurants.

3. Execution of Franchise Agreement. If you have complied with the requirements of this Agreement and our then current development policies, and we have accepted your proposed site for the Restaurant and your (or your Developer Subsidiary's) financial and operational qualifications, then we will issue a Franchise Agreement for that Restaurant at that site. You (or a Developer Subsidiary) and we must enter into our then current form of Franchise Agreement for the proposed Restaurant. You understand that we may modify the then current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations and a modification of your rights in any designated area, subject to Section 3.B and the Development Schedule and Development Fee Appendix. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Restaurant must be in accordance with the terms of the applicable Franchise Agreement.

C. Independent Investigation. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of Restaurants within the Development Territory, and recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your management and employees.

D. Future Investment. You acknowledge that this Agreement requires you to open Restaurants in the future pursuant to the Development Schedule. You further acknowledge that any estimated expenses and investment requirements that we have provided are subject to increase

over time, and that future Restaurants likely will involve greater initial investment and operating capital requirements than those that we have provided to you prior to the execution of this Agreement. You (or a Developer Subsidiary) are obligated to execute all the Franchise Agreements and open all the Restaurants on the dates set forth on the Development Schedule, regardless of: (i) the requirement of a greater investment; (ii) the financial condition or performance of your prior Restaurants; or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Restaurants.

### TERM

5. Unless sooner terminated in accordance with Section 9, the term of this Agreement and all rights granted to you under this Agreement will expire without further notice on the date upon which the last Franchise Agreement for your last Restaurant under the Development Schedule is signed or is scheduled to be signed under the Development Schedule (whichever is earlier).

### YOUR DUTIES

6. You must perform the following obligations:

A. Franchise Agreements. You must comply (or cause the applicable Developer Subsidiary to comply) with all of the terms and conditions of each Franchise Agreement signed pursuant to this Agreement, including the operating requirements specified in each Franchise Agreement.

B. Confidential Information. You agree that you, your Restricted Persons, each of your employees and agents, and any other individual or entity related to or controlled by you, may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use in any other business or in any manner not specifically authorized or approved in advance in writing by us, any Confidential Information. "Confidential Information" means the whole or any portion of (i) any know-how, knowledge, methods, standards, specifications, processes, procedures and/or improvements regarding the development or operation of a BWW-GO Restaurant that is valuable and secret in the sense that it is not generally known to our competitors, including information relating to site selection and delivery; (ii) any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant, including the proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data; (iii) the names, contact information, ordering history and other personal information (excluding credit card data and other account data that you collect through the Restaurant's POS system) of or relating to any Restaurant's customers or prospective customers (collectively, "Customer Data"); and (iv) any other information that we reasonably designate from time to time as confidential or proprietary. Confidential Information may not be used for any purpose other than operating the business under this Agreement. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons associated with you who have access to any Confidential Information. You must provide executed copies of these agreements to us upon our request.

C. Compliance with Law. You must at all times maintain your business premises and conduct your business operations in compliance with all applicable laws, regulations, codes and ordinances.

D. Training. You must, at your expense, comply with all of the training requirements we prescribe with respect to the development and operation of the Restaurants to be developed under this Agreement. Our training requirements may vary depending on the number of Restaurants that you (and your Developer Subsidiaries) are operating or required to develop under this Agreement, and may require your (or your Developer Subsidiaries') personnel to provide training to your (and their) other personnel at the Restaurants. Each person whom we require to attend training must complete that training to our satisfaction.

## TRANSFER

7. The following provisions govern any transfer:

A. Transfers Defined. We have entered into this Agreement with specific reliance upon your (and your Owners') financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory development of Restaurants. Consequently, neither your interest in (i) this Agreement or any Franchise Agreement signed pursuant to this Agreement, (ii) your business under this Agreement or any Restaurant, (iii) any of your assets, including any ownership or other equity interests in any Developer Subsidiary, nor (iv) any direct or indirect ownership or other equity interests in you or any Developer Subsidiary, may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first complied with all applicable provisions of this Section 7. Any transfer without our consent is a breach of this Agreement and has no effect. In this Agreement, "transfer" (whether or not capitalized) includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events, whether they impact you (or your Owners) or any Developer Subsidiary, directly or indirectly:

1. transfer of record or beneficial ownership of any ownership or other equity interest or the right to receive all or a portion of your or any Developer Subsidiary's profits or losses or any capital appreciation relating to you, any Developer Subsidiary or any Restaurant (whether directly or indirectly);

2. a merger, consolidation or exchange of ownership or other equity interests, or issuance of additional ownership or other equity interests or securities representing or potentially representing ownership or other equity interests, or a redemption of ownership or other equity interests;

3. any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other arrangement granting the right to exercise or control the exercise of the voting rights of any Owner or to control your, any Developer Subsidiary's or any Restaurant's operations or affairs;

4. transfer of a direct or indirect ownership or other interest in you, any Developer Subsidiary, this Agreement, any Restaurant or any of your or a Restaurant's assets in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

5. if you or one of your Owners dies, transfer of a direct or indirect ownership or other interest in you, any Developer Subsidiary, this Agreement, any Restaurant or any of your or a Restaurant's assets by will, declaration of or transfer in trust, or under the laws of intestate succession; or

6. the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any ownership or other interest in you, any Developer Subsidiary, this Agreement, any Restaurant or any of your or a Restaurant's assets; foreclosure upon or attachment or seizure of any Restaurant or any of its assets; or your transfer, surrender or loss of the possession, control or management of all or any material portion of any Restaurant (or its operation) or you or any Developer Subsidiary.

In this Agreement, "Control Transfer" means any transfer of (a) this Agreement or any Franchise Agreement signed pursuant to this Agreement, or any interest in or rights or obligations under this Agreement or any Franchise Agreement, (b) any of your assets, including any ownership or other equity interests in any Developer Subsidiary or any operating assets of any Restaurant; or (c) any transfer or other transaction, or a series of transfers or other transactions (regardless of the period of time over which they take place), which results in the transfer or creation of a Controlling Ownership Interest in you, whether directly or indirectly. "Controlling Ownership Interest" means either (x) fifty percent (50%) or more of the direct or indirect ownership or other equity interests in you, or (y) any ownership or other equity interest or other direct or indirect right or interest in you that provides the right, power or authority, whether alone or together with others, to direct and control your management and policies. "Non-Control Transfer" means the transfer or creation of any direct or indirect ownership or other equity interest in you that is not a Control Transfer.

B. Conditions for Consent to Non-Control Transfer. We will not unreasonably withhold our consent to a Non-Control Transfer (subject to Section 7.D) if:

1. you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed assignee, its direct and indirect owners (if the proposed assignee is an entity) and the transfer at least thirty (30) days before its effective date;

2. you and all Developer Subsidiaries comply with all provisions of all Franchise Agreements signed pursuant to this Agreement with respect to the Non-Control Transfer;

3. the proposed assignee and its direct and indirect owners (if the proposed assignee is an entity) meet our then applicable standards for non-controlling owners of BWV-GO Restaurant developers;

4. you and your Owners sign the form of agreement and related documents that we then specify to reflect your new ownership structure and a general release of all claims arising out of or relating to this Agreement, any Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates; and

5. you pay us a transfer fee of One Thousand Dollars (\$1,000) to partially cover some of our costs and expenses incurred in evaluating the transferee and the transfer (in addition to any other transfer or other fees payable under any Franchise Agreement or other agreement with us or our affiliate).



C. Conditions for Consent to Control Transfer. In order to request our consent to a Control Transfer, in addition to complying with Section 7.D, you must submit to us our form of application for consent to transfer and all other information and documents we require under our then current transfer procedures. We will not unreasonably withhold our consent to a Control Transfer (subject to Section 7.D) if:

1. you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed assignee, its direct and indirect owners (if the proposed assignee is an entity) and the transfer at least sixty (60) days before its effective date;
2. you and all Developer Subsidiaries comply with all provisions of all Franchise Agreements signed pursuant to this Agreement with respect to the Control Transfer;
3. the proposed assignee and its direct and indirect owners (if the proposed assignee is an entity) meet our then applicable standards for new BWW-GO Restaurant developers, including (if applicable) by having the financial and operational qualifications to develop and operate all of the Market BWW-GO Restaurants (defined in Section 7.D);
4. the assignee (if the transfer is of this Agreement) or you (if the transfer is of a direct or indirect ownership or other equity interest in you) agree be bound by all terms and conditions of this Agreement for the remainder of the term;
5. you and your owners sign a general release of all claims arising out of or relating to this Agreement, any Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates; and
6. you pay us a transfer fee of Two Thousand Five Hundred Dollars (\$2,500) to partially cover some of our costs and expenses incurred in evaluating the transferee and the transfer (in addition to any other transfer or other fees payable under any Franchise Agreement or other agreement with us or our affiliate).

D. Transfer of All Market BWW-GO Restaurants. You acknowledge our current requirement that developers of multiple BWW-GO Restaurants must themselves (directly or through Developer Subsidiaries) continue to own and operate all of the BWW-GO Restaurants located and/or to be developed in their development territory (collectively, the "Market BWW-GO Restaurants") throughout the entire terms of their area development agreements and franchise agreements. We believe this requirement is important in order to (among other reasons) establish continuity and cooperation among the Market BWW-GO Restaurants and protect the BWW-GO® brand. Therefore upon any proposed Non-Control Transfer or Control Transfer involving this Agreement or any Restaurant developed pursuant to this Agreement, in addition to the conditions listed in Sections 7.B and 7.C, we may condition our consent to that Non-Control Transfer or Control Transfer on the simultaneous transfer to the applicable assignee of other rights, interests, obligations, assets, and/or ownership or other equity interests such that, following such transfer, the assignee has the right to develop, own and operate (directly or through its Developer Subsidiaries) all of the Market BWW-GO Restaurants.

E. Transfer by Us. We may change our ownership or form and/or assign this Agreement and any other agreement between us and you (or any of your Owners or affiliates)

without restriction. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

#### DISPUTE RESOLUTION

8. The following provisions apply with respect to dispute resolution:

A. Governing Law. This Agreement, the development rights, and all claims arising from the relationship between us and you shall be governed by the laws of the State of Georgia, without regard to its conflict of laws rules; provided, however that any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee or developer will not apply unless its jurisdictional requirements are met independently without reference to this Section 8.A.

B. Choice of Forum. The parties agree that to the extent any disputes arise that cannot be resolved directly between the parties, you shall file any suit against us or our affiliates only in the federal or state court of general jurisdiction located closest to our then current principal office. We may file suit in the federal or state court of general jurisdiction located closest to our then current principal office or in the jurisdiction where you reside or do business or where the claim arose. Each party irrevocably submits to the jurisdiction of those courts and waives any objection such party may have to either the jurisdiction of or venue in those courts.

C. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement or the business you operate under this Agreement, or our relationship with you, will be entitled to recover its reasonable attorneys' fees and costs.

D. Limitation of Claims. You and your Owners may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the business you operate under this Agreement, or our relationship with you, unless the claim or cause of action is commenced within one (1) year following the first act or omission giving rise to the claim or cause of action.

E. Waiver of Punitive Damages and Jury Trial. EXCEPT FOR PUNITIVE, EXEMPLARY, TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 11.A, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE OR OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU (OR YOUR OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS).

## DEFAULT AND TERMINATION

9. The following provisions apply with respect to default and termination:

A. Termination With No Opportunity to Cure. We may terminate this Agreement, effective immediately upon our delivery of written notice to you, and without providing you any opportunity to cure the default, if:

1. you fail to meet any of the obligations set forth in the Development Schedule;

2. you or any of your Owners makes any material misrepresentation or omission in your franchise application or in operating the business under this Agreement;

3. there is any unauthorized use or disclosure of any Confidential Information in breach of this Agreement;

4. you or any of your Owners is convicted by a trial court of, or pleads no contest to, a felony, regardless of the nature of the charges;

5. you or any of your Owners breaches any provision of this Agreement that results in any material impairment of the goodwill associated with any of the Trademarks, or takes any action that in any way infringes upon, harms or contests our or our parent company's rights in any of the Trademarks or the goodwill associated with the Trademarks;

6. you or any of your Owners engages in any dishonest, unethical or illegal conduct which, in our opinion, adversely affects the reputation of your business or any Restaurant, the reputation of other BWW-GO Restaurants or the goodwill associated with any of the Trademarks;

7. there is any unauthorized transfer or assignment in violation of Section 7;

8. any Franchise Agreement signed pursuant to this Agreement, or any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates) relating to a BWW-GO Restaurant, is terminated before its term expires, regardless of the reason; or

9. you or any Owner makes an assignment for the benefit of creditors or admits in writing your or its insolvency or inability to pay your or its debts generally as they become due; you or any Owner consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of your or its property; any Restaurant or any of its assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you, any Owner or any Restaurant is not vacated within thirty (30) days following the order's entry.

B. Termination With Opportunity to Cure. We may terminate this Agreement, effective immediately upon our delivery of written notice to you, if you fail to comply with any other provision of this Agreement or any mandatory standard, specification or operating procedure relating to the business you conduct under this Agreement and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

## POST-TERM OBLIGATIONS

10. Upon the expiration or termination of this Agreement, all rights granted to you under this Agreement will automatically terminate. You will not be entitled to any refund of any fees. You will have no right to develop or operate any Restaurant for which we and you have not already signed a Franchise Agreement.

## GENERAL PROVISIONS

11. The parties agree to the following provisions:

A. Indemnification. You agree to protect indemnify, defend, reimburse, and hold harmless us, our affiliates, and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns from and against any and all claims, demands, damages, expenses and liabilities of any nature whatsoever (including attorneys' fees) arising in any manner, directly or indirectly, out of or in connection with or incidental to the development, use or operation of any of your of the Developer Subsidiaries' Restaurants, the business you conduct under this Agreement, or your breach of or failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and attorneys' fees immediately upon our request as they are incurred. At our option, we may (at your expense) defend and control the defense of any claim or proceeding that is subject to this Section 11.A.

B. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify standards and as otherwise provided herein, this Agreement may not be waived, altered, amended or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business you operate under this Agreement. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement and are not binding on us. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement. However, nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

D. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

1. If intended for us, addressed to General Counsel, Buffalo Wild Wings International, Inc., Three Glenlake Parkway NE, Atlanta, Georgia 30328; or

2. If intended for you, addressed to you at the address listed on the cover page to this Agreement or at any Restaurant;

or, in either case, as the intended party may change such address by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section 11.D.

E. Authority. Any modification, consent, approval, authorization or waiver granted hereunder will be valid only if in writing and, on behalf of us, executed by our President or one of our authorized Vice Presidents.

F. References. If the developer is two or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement include all of the individuals. References to Sections and Appendices shall mean the applicable Section of or Appendix to this Agreement. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement. The words “include,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

G. Successors/Assigns. Subject to the terms of Section 7 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

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

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Our rights under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this Agreement will not preclude our exercise or enforcement of any other right or remedy under this Agreement which we are entitled by law to enforce.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System or BWG-RESTAURANTS generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System or BWG-RESTAURANTS include enhancing the value of the Trademarks, improving customer service and satisfaction, improving product

quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System or BWW-GO Restaurants.

I. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other nor represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

J. Force Majeure. Any failure of performance of this Agreement according to its terms by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, “force majeure” shall mean acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party hereto, which prevents in whole or in material part the performance by one of the parties hereto of its obligations hereunder. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of amounts owed at the time of the occurrence or amounts due thereafter.

K. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any BWW-GO Restaurants or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such restaurant, franchisee’s business or the System. We are not required to grant to you a similar or other variation as a result of any variation granted to any other BWW-GO Restaurant.

L. No Liability for Our Related Parties. You agree that none of our past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for: (i) any of our obligations or liabilities relating to or arising from this Agreement; (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us; or (iii) any claim against us based on any of our alleged unlawful acts or omissions.

M. Representations and Warranties. To induce us to sign this Agreement and grant you the rights under this Agreement, you represent, warrant and acknowledge that:

1. neither you nor any of your Owners, nor any of your or their property or interests, is subject to being blocked under, and you and your Owners are otherwise in full compliance with, all laws, ordinances and regulations, including Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and any other federal, state, or local law, ordinance, regulation, policy, list or other requirement of any governmental authority addressing or in any way relating to terrorist acts or acts of war;

2. you have independently investigated and evaluated the opportunity of investing in the restaurant industry generally and specifically the BWW-GO Restaurant franchise opportunity, including the current and potential market conditions and

competitive factors and risks, and recognize that, like any other business, the nature of a BWW-GO Restaurant's business will evolve and change over time;

3. the Buffalo Wild Wings GO® brand and concept were launched in May 2020, there are few BWW-GO Restaurants operating as of the Effective Date, and there is no guarantee or assurance that the Buffalo Wild Wings GO® brand and concept will be successful in the marketplace or that we will not make significant modifications to the System, brand and concept as they are further developed; and

4. you, or your parent or one of your affiliates, is an entity that has been in business for at least five (5) years and has a net worth of at least \$6,165,500.

**IN WITNESS WHEREOF**, the parties have executed this Area Development Agreement on the dates written below.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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



Appendix A to the Area Development Agreement

**Ownership and Management Appendix**

1. Ownership. You represent and warrant to us that the following person(s) and entities, and only the following person(s) and entities, have ownership or other equity interests in the developer entity (whether directly or indirectly) as of the effective date of this Appendix:

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>PERCENTAGE OF INTEREST</u>
<hr/>		
<hr/>		
<hr/>		

2. Date. This Appendix is effective as of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Our Initials

\_\_\_\_\_  
Your Initials

Appendix B to the Area Development Agreement

**Development Schedule and Development Fee**

1. Development Schedule. You acknowledge and agree that compliance with this Development Schedule is a material provision of the Area Development Agreement:

<b>Restaurant Number</b>	<b>Date by Which Site Package Must be Submitted</b>	<b>Date by Which Franchise Agreement Must be Signed</b>	<b>Date by Which Restaurant Must be Opened and Operating</b>	<b>Cumulative Number of Restaurants Required to be Open and Continuously Operating in the Development Territory as of the Date in Preceding Column</b>
1		Date of this Agreement		1
2				2

For purposes of determining compliance with the above Development Schedule: (1) only the Restaurants actually open and continuously operating for business in the Development Territory in compliance with the applicable Franchise Agreement as of a given date will be counted toward the Development Schedule, and (2) only the new Restaurants you develop, open, and continuously operate in the Development Territory will count towards the number of cumulative number of Restaurants required to be open and continuously operating in the Development Territory. Any Restaurants that you or your affiliates acquire from us or another Buffalo Wild Wings-GO® franchisee will not be counted towards the cumulative number of Restaurants required to be open and continuously operating in the Development Territory under the Development Schedule above.

\_\_\_\_\_  
Our Initials

\_\_\_\_\_  
Your Initials

Appendix C to the Area Development Agreement

**Development Territory**

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\_\_\_\_\_  
Our Initials

\_\_\_\_\_  
Your Initials

Appendix D to the Area Development Agreement

Development Incentives Amendment

This Development Incentives Amendment to the Development Agreement (the “**Amendment**”) is made and entered into on \_\_\_\_\_ (the “**Effective Date**”), by and between BUFFALO WILD WINGS INTERNATIONAL, INC. (“**we**,” “**us**,” or “**our**”) and \_\_\_\_\_ (“**you**” or “**your**”).

**BACKGROUND**

A. Simultaneously with signing this Amendment, we and you are signing an Area Development Agreement dated as of the date hereof (the “**Development Agreement**”) granting you the right to develop BWW-GO Restaurants in the Development Territory. All initial capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Development Agreement.

B. Before developing and operating each BWW-GO Restaurant that you agree to open under the Development Agreement, you must sign a Franchise Agreement.

C. We and you are signing this Amendment because we have committed, upon the satisfaction of certain conditions, to modify certain requirements under the Franchise Agreements to reflect incentives we currently offer to developers entering into new development rights riders, including an initial franchise fee credit and a temporary weekly Royalty Fee (“**Royalty**”) reduction.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Application of Amendment. We and you are signing this Amendment because we and you are signing the Development Agreement on or before March 31, 2023 and the Restaurants you develop under the Development Agreement may be eligible for incentive programs described in this Amendment, if you meet the program’s conditions. Therefore, notwithstanding any terms in the Development Agreement to the contrary, we agree that the Franchise Agreement that we and you sign for certain Restaurants developed under the Development Agreement will reflect the terms of the applicable incentive program described in this Amendment, if you meet the program’s conditions.

2. Standard Adopter Incentive. Because we and you are signing this Amendment before March 31, 2023, each Restaurant you develop under the Development Schedule will receive the benefits of our Standard Adopter Incentive program (the “**Standard Adopter Incentive Program**”) if you (a) open and begin operating that Restaurant in accordance with the applicable Franchise Agreement on or before the earlier of the deadline in the Development Schedule or December 31, 2025 (the “**Applicable Opening Deadline**”), (b) provide to us a report, in the format and containing the information that we reasonably specify, identifying the amounts that you spend in various categories relating to the development and opening of that Restaurant within 120 days after the Restaurant first opens for business, and (c) build that Restaurant in the design, to the specifications, and at the location approved by us in accordance with the applicable Franchise Agreement. Under the Standard Adopter Incentive Program, you will pay the full initial franchise fee when you sign the Franchise Agreement for each Restaurant. Then, if you satisfy the conditions in (a) through (c) above, then we will credit an amount equal to the initial franchise fee you paid plus the portion of the development fee that we credit towards that initial franchise fee (the “**SAIP IFF**”).

**Credit**”) towards the Royalties owed under that Franchise Agreement. If you fail to satisfy the conditions in (a) through (c) above, the Standard Adopter Incentive Program, including the reduced Royalties in Sections 3 and 4 of this Amendment, will not apply to the Restaurant.

3. Royalties. If you meet the requirements of the Standard Adopter Incentive Program then subject to your qualifying for the Additional Early Opening Benefit (defined below), the Franchise Agreement for that Restaurant will provide the following Royalties:

- a. For each Franchise Agreement that is signed in compliance with this Agreement (including the Development Schedule), if the Opening Date is on or before December 31, 2022, and the applicable Restaurant opens and begins operating in compliance with this Agreement and the applicable Franchise Agreement, then the Royalty Fee (as defined in the applicable Franchise Agreement) will be the following:
  - i. 0% of Gross Sales (as defined in the applicable Franchise Agreement) accrued during the first 12 months of the Restaurant’s operation;
  - ii. 2% of Gross Sales accrued during the second 12 months of the Restaurant’s operations;
  - iii. 4% of Gross Sales accrued during the third 12 months of the Restaurant’s operations; and
  - iv. 6% of Gross Sales accrued during the remained of the term of the applicable Franchise Agreement.
- b. For each Franchise Agreement that is signed in compliance with this Agreement (including the Development Schedule), if the Opening Date is on or between January 1, 2023 and December 31, 2023, and the applicable Restaurant opens and begins operating in compliance with this Agreement and the applicable Franchise Agreement, then the Royalty Fee (as defined in the applicable Franchise Agreement) will be the following:
  - i. 1% of Gross Sales (as defined in the applicable Franchise Agreement) accrued during the first 12 months of the Restaurant’s operation;
  - ii. 2% of Gross Sales accrued during the second 12 months of the Restaurant’s operations;
  - iii. 4% of Gross Sales accrued during the third 12 months of the Restaurant’s operations; and
  - iv. 6% of Gross Sales accrued during the remained of the term of the applicable Franchise Agreement.
- c. For each Franchise Agreement that is signed in compliance with this Agreement (including the Development Schedule), if the Opening Date is on or between January 1, 2024 and December 31, 2024, and the applicable Restaurant opens and begins operating in compliance with this Agreement and the applicable Franchise Agreement, then the Royalty Fee (as defined in the applicable Franchise Agreement) will be the following:
  - i. 1% of Gross Sales accrued during the first 12 months of the Restaurant’s operation;

- ii. 3% of Gross Sales accrued during the second 12 months of the Restaurant's operations;
  - iii. 5% of Gross Sales accrued during the third 12 months of the Restaurant's operations; and
  - iv. 6% of Gross Sales accrued during the remained of the term of the applicable Franchise Agreement.
- d. For each Franchise Agreement that is signed in compliance with this Agreement (including the Development Schedule), the Opening Date is on or between January 1, 2025 through December 31, 2025, and the applicable Restaurant opens and begins operating in compliance with this Agreement and the applicable Franchise Agreement, then the Royalty Fee (as defined in the applicable Franchise Agreement) will be the following:
- i. 2% of Gross Sales accrued during the first 12 months of the Restaurant's operation;
  - ii. 3% of Gross Sales accrued during the second 12 months of the Restaurant's operations;
  - iii. 5% of Gross Sales accrued during the third 12 months of the Restaurant's operations; and
  - iv. 6% of Gross Sales accrued during the remained of the term of the applicable Franchise Agreement.

4. Additional Early Opening Benefit. If you meet the requirements of the Standard Adopter Incentive Program set forth above with respect to any Restaurant that you develop under the Development Agreement, and you open and begin operating the applicable Restaurant in accordance with the applicable Franchise Agreement at least three (3) months before the Applicable Opening Deadline (as applicable), then in addition to the benefits of the Standard Adopter Incentive Program, the Franchise Agreement for that Restaurant will provide that the Royalty will be zero percent (0%) of Gross Sales accrued for the first six (6) months that the Restaurant is open for business (the "**Additional Early Opening Benefit**"). If the Additional Early Opening Benefit applies, then the Royalty rates described herein will apply beginning six (6) months after the Restaurant's actual opening date.

5. Miscellaneous. The Background is incorporated into this Amendment by this reference. This Amendment is an amendment to, and forms a part of, the Development Agreement. If there is an inconsistency between this Amendment and the Development Agreement, the terms of this Amendment shall control. This Amendment, together with the Development Agreement, constitutes the entire agreement among the Parties hereto, and there are no other oral or written representations, understandings or agreements among them, relating to the subject matter of this Amendment. Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Development Agreement will remain in full force and effect as originally written and signed.

*[signature page to follow]*

**IN WITNESS WHEREOF**, the parties have executed this Incentive Amendment the dates written below.

YOU:

\_\_\_\_\_

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

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

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

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

US:

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**

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

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

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

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

**EXHIBIT E**

**LIST OF FRANCHISEES AS OF JANUARY 2, 2022**

<b>State</b>	<b>City</b>	<b>Address</b>	<b>Zip</b>	<b>Phone #</b>	<b>Franchisee Entity</b>
OH	Akron	1 North Hawkins Avenue	44313	(234) 901-6151	Grube Go, LLC



**EXHIBIT F**

**LIST OF FORMER FRANCHISEES AS OF JANUARY 2, 2022**

**NONE**

**EXHIBIT G**

**FORM OF RELEASE AGREEMENT**

**FORM OF RELEASE AGREEMENT**  
**(Subject to Change by Buffalo Wild Wings International, Inc.)**

For and in consideration of the agreements and covenants described below, Buffalo Wild Wings International, Inc. ("BWW") and ("Franchisee") enter into this Release of Claims ("Agreement").

**RECITALS**

- A. BWW and Franchisee entered into a BUFFALO WILD WINGS® Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_.
- B. [NOTE: Describe the circumstances relating to the release.]
- C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, BWW and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

**AGREEMENTS**

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims by BWW. Release of Claims by BWW.** Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of \$\_\_\_\_\_ to BWW, BWW, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "Franchisor Parties"), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties") from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, "Claims"), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section \_\_\_ of the Franchise Agreement, (ii) non-disclosure obligations under Section \_\_\_ of the Franchise Agreement, and (iii) post-termination non-compete obligations under Section \_\_\_ of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or

regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

6. **Acknowledgment.** The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

7. **Reservation of Claims Against Non-Settling Parties.** Buffalo Wild Wings International, Inc. and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of \_\_\_\_\_.

11. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: \_\_\_\_\_,20\_

**BUFFALO WILD WINGS INTERNATIONAL, INC.**

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

Its: \_\_\_\_\_

Dated: \_\_\_\_\_,20\_

**FRANCHISEE:**

\_\_\_\_\_

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

Its: \_\_\_\_\_

**EXHIBIT H**

**STATE-SPECIFIC ADDITIONAL DISCLOSURES AND AGREEMENT RIDERS**

**ADDITIONAL DISCLOSURES FOR THE  
BUFFALO WILD WINGS-GO  
FRANCHISE DISCLOSURE DOCUMENT OF  
BUFFALO WILD WINGS INTERNATIONAL, INC.**

The following are additional disclosures for the **BUFFALO WILD WINGS-GO** Franchise Disclosure Document of **BUFFALO WILD WINGS INTERNATIONAL, INC.** required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

**CALIFORNIA**

1. 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.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITE, [www.buffalowildwings.com](http://www.buffalowildwings.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. The following language is added to the “Special Risks to Consider About *This Franchise*” page:

**Spousal Liability.** While your spouse need not sign a personal guarantee unless he or she is an owner of the legal entity that is the franchisee, the fact that California is a community-property state means that both your and your spouse’s marital and personal assets, including your house, could be lost if your franchise fails.

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

Neither we, nor any person in Item 2 of the disclosure document, is subject to any currently-effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such person from membership in that association or exchange.

6. The following language is added at the end of Item 5:

The Department has determined that either the franchisor has not demonstrated it is adequately capitalized or that the franchisor must rely on franchise fees to fund operations. The Commissioner has imposed a fee deferral condition.

Therefore, despite the payment provisions above, payment of all initial fees is postponed until after all of the franchisor's initial obligations are complete and the Restaurant is open for business.

For area development offerings, the portion of the Development Fee attributable to an individual Restaurant in the Development Schedule is deferred until after all of franchisor's initial obligations are complete that Restaurant is open.

7. The following language is added to Item 6, in the "Remarks" column for Line Item entitled "Interest on Late Payments":

In California, the highest interest rate permitted by law is 10%.

8. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, then the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provide for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Area Development Agreement require application of the laws of the State of Georgia. This provision might not be enforceable under California law.

You must sign a general release of claims if you renew or transfer the franchise. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).



## MARYLAND

1. The following language is added as the last paragraph of Items 5 and 7:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer your payment of the initial franchise fee due to us under the Franchise Agreement until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced operating the BWW-GO Restaurant. You must pay us the initial franchise fee on the day you begin operating your BWW-GO Restaurant.

In addition, we will defer your payment of the development fee due to us under an Area Development until we have fulfilled all our initial obligations to you and you have commenced operating your first BWW-GO Restaurant. You must pay us the development fee due under a Development Rights Rider to the Franchise Agreement on the day you begin operating your first BWW-GO Restaurant.

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

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The following language is added to the end of the "Summary" section of Item 17(h), entitled "Cause" defined – non-curable defaults:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" section of Item 17(w), entitled Choice of law, is amended to read as follows:

Except for federal law, and except as otherwise required by the Maryland Franchise Registration and Disclosure Law, Georgia law governs.

6. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

## **MINNESOTA**

1. The following language is added to the end of Item 13:

The State of Minnesota considers it unfair to not protect your rights to use the trademarks. Therefore, to the extent required by Minnesota Stat. §80C.12, Subd. 1(g), we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. The following paragraphs are added at the end of the chart in Item 17:

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) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

## **NORTH DAKOTA**

1. The "Summary" sections of Items 17(c) and 17(m) are amended by adding the following:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The "Summary" section of Item 17(i) is amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota

Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The “Summary” section of Item 17(r) is amended by adding the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

4. The “Summary” section of Item 17(v) is amended by adding the following:

To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The “Summary” section of Item 17(w) is amended by adding the following:

Except for federal law, North Dakota law applies.

## **RHODE ISLAND**

1. The following language is added to the end of the “Summary” section of Item 17(v), entitled Choice of forum:

Litigation generally must be where we have our principal business address at the time the action is commenced (it currently is in Atlanta, Georgia), except that, to the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. The following language is added to the end of the “Summary” section of Item 17(w), entitled Choice of law:

Except for federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Georgia law applies.

## **VIRGINIA**

1. The following language is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults:

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

## **WASHINGTON**

1. The following language is added to the “Special Risks to Consider About *This Franchise*” page:

**Short Operating History.** The Buffalo Wild Wings Go brand and concept is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a brand and concept with a longer operating history.

\*\*\*\*\*

**ASSURANCE OF DISCONTINUANCE  
STATE OF WASHINGTON**

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, or (b) the BWW-GO Restaurant that you will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES**. The following language is added to the end of Sections 4.B and 11.B(5) of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **INITIAL FRANCHISE FEE**. The following language is added to the end of Section 9.A of the Franchise Agreement:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer your payment of the initial franchise fee due to us under this Agreement until we have fulfilled all our initial obligations to you under this Agreement and you have commenced operating the Restaurant. You must pay us the initial franchise fee on the day you begin operating your Restaurant.

4. **INSOLVENCY**. The following sentence is added to the end of Section 11.A(4) of the Franchise Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

5. **GOVERNING LAW**. The following sentence is added to the end of Section 12.A of the Franchise Agreement:

Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 12.B of the Franchise Agreement:

However, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 12.E of the Franchise Agreement:

However, you must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after we grant you the franchise.

8. **ACKNOWLEDGMENTS.** The following is added as a new Section 16 of the Franchise Agreement:

**16. ACKNOWLEDGMENTS**

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

**US:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.,** an Ohio  
corporation

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

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

**YOU:**

\_\_\_\_\_

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

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

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the BWW-GO Restaurant you will operate under the Franchise Agreement will be located in Minnesota, or (b) any of the franchise offer or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **TRADEMARKS.** The following is added as a new Section 3.F of the Franchise Agreement:

The State of Minnesota considers it unfair to not protect your rights to use the trademarks. Therefore, to the extent required by Minnesota Stat. §80C.12, Subd. 1(g), we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. **RELEASES.** The following language is added to the end of Sections 4.B and 11.B(5) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law with respect to claims arising under Minn. Rule 2860.4400D.

4. **GOVERNING LAW/CHOICE OF FORUM.** The following language is added at the end of Sections 12.A and 12.B of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. **INJUNCTIVE RELIEF.** The following language is added to the end of Section 12.C of the Franchise Agreement:



Notwithstanding the foregoing, Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues. Further, we and you acknowledge that the limitation of damages in this Section 19.15 might not be enforceable under the Minnesota Franchises Law; however, we and you will enforce the limitation of damages to the extent the law allows.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 12.E of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

7. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section 12.F of the Franchise Agreement are deleted in its entirety.

8. **TERMINATION.** The following language is added at the end of Section 13 of the Franchise Agreement:

However, 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' notice of non-renewal of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

**US:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.,** an Ohio  
corporation

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

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

**YOU:**

\_\_\_\_\_

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

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

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Rider is being signed because (a) you are a resident of North Dakota and the BWW-GO Restaurant you will operate under the Franchise Agreement will be located in North Dakota, or (b) the offer or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following language is added to the end of Sections 4.B and 11.B(5) of the Franchise Agreement:

Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** Section 10.D(2) of the Franchise Agreement is amended by adding the following:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

4. **GOVERNING LAW.** The following language is added at the end of Section 12.A of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

5. **CONSENT TO JURISDICTION.** The following language is added at the end of Section 12.B of the Franchise Agreement:

However, to the extent required by applicable law, you may bring an action in North Dakota.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 12.E of the Franchise Agreement:

The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. If and then only to the extent required by the North Dakota Franchise Investment Law, Section 12.F of the Franchise Agreement is deleted in its entirety.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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

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

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

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

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

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Rhode Island and the BWW-GO Restaurant you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added at the end of Sections 12.A and 12.B of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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

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

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

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

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

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
FRANCHISE AGREEMENT  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) BWW-GO Restaurant you will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offer or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us 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 us including the areas of termination and renewal of your franchise.

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, you 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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Franchise 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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.

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.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
AREA DEVELOPMENT AGREEMENT**

**RIDER TO THE BUFFALO WILD WINGS INTERNATIONAL, INC.  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, or (b) the BWW-GO Restaurants that you will develop and operate under the Area Development Agreement will be located in Maryland.

2. **DEVELOPMENT FEE.** The following language is added to the end of Section 3.A of the Area Development Agreement:

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments by the Area Developer shall be deferred until the first franchise under this Agreement opens.

3. **RELEASES.** The following language is added to the end of Sections 7.B(4) and 7.C(4) of the Area Development Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY.** The following sentence is added to the end of Section 7.A(4) of the Area Development Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

5. **GOVERNING LAW.** The following sentence is added to the end of Section 8.A of the Area Development Agreement:

Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **CONSENT TO JURISDICTION.** The following sentence is added to the end of Section 8.B of the Area Development Agreement:

However, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 8.D of the Area Development Agreement:



However, you must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after we grant you the franchise.

8. **ACKNOWLEDGMENTS.** The following is added as a new Section 12 of the Area Development Agreement:

**12. ACKNOWLEDGMENTS**

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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

**RIDER TO THE BUFFALO WILD WINGS INTERNATIONAL, INC.  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the BWW-GO Restaurants you will develop and operate under the Area Development Agreement will be located in North Dakota, or (b) the offer or sales activity occurred in North Dakota.

2. **RELEASES.** The following language is added to the end of Sections 7.B(4) and 7.C(4) of the Area Development Agreement:

Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. **GOVERNING LAW.** The following language is added at the end of Section 8.A of the Area Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

4. **CONSENT TO JURISDICTION.** The following language is added at the end of Section 8.B of the Area Development Agreement:

However, to the extent required by applicable law, you may bring an action in North Dakota.

5. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 8.D of the Area Development Agreement:

The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the North Dakota Franchise Investment Law, Section 8.E of the Area Development Agreement is deleted in its entirety.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

**US:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

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

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

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

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

**YOU:**

\_\_\_\_\_

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

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

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

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

**RIDER TO THE BUFFALO WILD WINGS-GO RESTAURANT  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **Buffalo Wild Wings International, Inc.**, an Ohio corporation with its principal business located at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and \_\_\_\_\_, a(n) \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“you” or “your”).

3. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) BWW-GO Restaurants you will develop and operate under the Area Development Agreement will be located in Washington; and/or (c) any of the offer or sales activity relating to the Area Development Agreement occurred in Washington.

4. **WASHINGTON LAW.** The following paragraphs are added to the end of the Area Development Agreement:

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

RCW 19.100.180 may supersede the Area Development Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Development Agreement in your relationship with us including the areas of termination and renewal of your franchise.

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 Area Development Agreement, you 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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Area Development 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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 Area Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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 Area Development Agreement or elsewhere are void and unenforceable in Washington.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

**US:**

**YOU:**

**BUFFALO WILD WINGS  
INTERNATIONAL, INC.**, an Ohio  
corporation

\_\_\_\_\_

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

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

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

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

**NEW YORK REPRESENTATIONS PAGE**

**THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.**

## State Effective Dates

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

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

State	Effective Date
California	_____
Hawaii	_____
Illinois	_____ (Exempt)
Indiana	_____
Maryland	_____
Michigan	_____
Minnesota	_____
New York	_____ (Exempt)
North Dakota	_____
Rhode Island	_____
South Dakota	_____
Virginia	_____
Washington	_____
Wisconsin	_____

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

**EXHIBIT I**

**Receipt**



**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

Except as noted below, if Buffalo Wild Wings International, Inc. offers you a franchise, we must provide this Disclosure Document to you at the earlier of 14 calendar days before you sign a binding agreement or payment of consideration to us.

If Buffalo Wild Wings International, Inc. offers you a franchise in New York or Rhode Island, we must provide this Disclosure Document to you at the earlier of the first personal meeting or 10 business days before the signing of a binding agreement or payment of any consideration to us.

If Buffalo Wild Wings International, Inc. offers you a franchise in Michigan, Oregon, Washington or Wisconsin, we must provide this Disclosure Document to you at least 10 business days before the execution of any binding agreement or payment of any consideration to us, whichever comes first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580 and the State Agency referred to in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise:

, Three Glenlake Pkwy NE, Atlanta, Georgia 30328, 678-514-6928

Issuance Date: March 25, 2022

I received a Franchise Disclosure Document issued March 25, 2022. This Disclosure Document included the following Exhibits: A) List of State Agencies and Agents for Service of Process; B) Financial Statements; C) Franchise Agreement; D) Area Development Agreement; E) List of Franchisees; F) List of Former Franchisees; G) Form of Release Agreement; H) State-Specific Additional Disclosures and Agreement Riders, and I) Receipt.

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

Signed: \_\_\_\_\_

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

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

City: \_\_\_\_\_ State \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Zip \_\_\_\_\_

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

Signed: \_\_\_\_\_

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

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

City: \_\_\_\_\_ State \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Zip \_\_\_\_\_

**COPY FOR FRANCHISEE**

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

Signed: \_\_\_\_\_

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

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

City: \_\_\_\_\_ State \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Zip \_\_\_\_\_

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

Signed: \_\_\_\_\_

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

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

City: \_\_\_\_\_ State \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Zip \_\_\_\_\_

**COPY FOR BUFFALO WILD WINGS INTERNATIONAL, INC.**