

FRANCHISE DISCLOSURE DOCUMENT
Wahlburgers Franchising LLC
A Massachusetts Limited Liability Company
350 Lincoln Street, Suite 2501
Hingham, MA 02043
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The franchisee will obtain a master franchise for the license to grant subfranchisees the right to develop, open and operate restaurants under the name "Wahlburgers," which feature high quality gourmet hamburgers and certain ancillary branded merchandise such as clothing, souvenirs and novelty items. The franchisor offers the right to develop and operate Wahlburgers Restaurants pursuant to separate disclosure document.

The total investment necessary to begin operating as a Wahlburgers master franchisee ranges from approximately \$1,106,000 to \$1,191,000. This includes \$1,000,000 that must be paid to the franchisor or its affiliate(s).

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 Franchise Sales, 350 Lincoln Street, Suite 2501, Hingham, MA 02043, (781) 749-4972.

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

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

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

Issuance Date: August 10, 2021

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
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 E 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 Wahlburgers master franchise business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wahlburgers master franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 agreement requires you to resolve certain disputes with the franchisor by arbitration at a location chosen by the arbitrator. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor at the location chosen by the arbitrator than in your own state.
2. **Negative Net Worth.** The auditor's report on the franchisor's financial statements expresses substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or 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.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "Wahlburgers," "we," or "us" means Wahlburgers Franchising LLC, the franchisor. "You" means the person or legal entity who is granted the master franchise. If you are a corporation, partnership, limited liability company, or other business entity, certain provisions of this disclosure document also apply to your owners and will be noted.

Wahlburgers is a Massachusetts limited liability company formed on April 9, 2014, whose principal business address is 350 Lincoln Street, Suite 2501, Hingham, MA 02043. We do business under the name "Wahlburgers." Our agents for service of process in various states are listed in Exhibit B.

We are wholly-owned by Wahlburgers Holding Company LLC ("WB Holding"), a Massachusetts limited liability company formed on June 8, 2011, whose principal business address is the same as ours. (On March 31, 2014, WB Holding changed its name from E&P Burger Concepts LLC to Wahlburgers Holding Company LLC.) WB Holding does not offer franchises in any business and does not engage in any business other than owning us and our affiliates.

WB Holding's managers are Closest to the Burger, LLC ("CTB"), Dwahlburgers LLC ("DW") and Nothing But the Burger LLC ("NBB"). CTB is a Delaware limited liability company formed on November 17, 2011, whose principal business address is 615 South Dupont Highway, c/o National Corporate Research, Ltd., Dover, DE 19901. DW is a Delaware limited liability company formed on October 27, 2010, whose principal address is 1811 Silverside Road, Wilmington, DE 19810. NBB is a Delaware limited liability company formed on October 21, 2011, whose principal business address is the same as CTB's.

We have been offering since August 2014, and continue to offer, pursuant to a separate disclosure document, the opportunity to develop and operate Wahlburgers Restaurants in the United States, but we have never operated a Wahlburgers Restaurant. We are offering master franchises in the United States for the first time as of the issuance date of this disclosure document.

Our affiliates, Paragon Funding Group III, LLC ("PFG"), Wahlburgers Fenway, LLC ("WF") and Wahlburgers Lynnfield, LLC ("WL"), WB Myrtle Beach LLC ("Myrtle") and WB Frisco LLC ("Frisco") each operate a Wahlburgers Restaurant. PFG is a Massachusetts limited liability company formed on June 9, 2011, WF is a Massachusetts limited liability company formed on May 6, 2014, WL is a Massachusetts limited liability company formed on March 31, 2014, Myrtle is a Massachusetts limited liability company formed on February 28, 2019 and Frisco is a Massachusetts limited liability company formed on June 14, 2019. The principal business address of each is the same as ours. PFG, WF, WL, Myrtle and Frisco have not offered franchises in any line of business. As of December 31, 2020, there were 44 franchised Wahlburgers Restaurants and 5 Wahlburgers Restaurants operated by our affiliates. We have not previously offered franchises in any other line of business, nor do we engage in any other business.

Our affiliate, Wahlburgers Franchising International LLC ("WB International"), offers Wahlburgers franchises outside of the United States and Canada. WB International is a Massachusetts limited liability company formed on August 29, 2016, whose principal business address is the same as ours. WB International has been offering Wahlburgers franchises since its

formation, but has never operated a Wahlburgers Restaurant. WB International has not offered franchises in any other line of business, nor does it engage in any other business.

Wahlburgers Restaurants

Wahlburgers Restaurants are burger-oriented restaurants, featuring décor elements that emphasize the connection to the celebrity Wahlberg family, primarily well-known actor/producer/artists Mark and Donnie, along with their chef brother Paul. Wahlburgers Restaurants are contemporary and casual, with an emphasis on a colorful, fun, festive atmosphere in keeping with the family spirit. A full-service Wahlburgers Restaurant occupies approximately 4,500 square feet and a fast casual Wahlburgers Restaurant occupies approximately 1,800 - 2,200 square feet. A full-service Wahlburgers Restaurant includes a full bar, subject to license availability.

Wahlburgers Restaurants operate according to a unique and distinctive system ("System"), whose distinguishing characteristics include our décor, layout, color schemes, and designs (collectively, "Trade Dress"); our menu items, recipes and food preparation and service techniques; our standards and specifications for equipment, equipment layouts, and interior and exterior accessories; and the accumulated experience reflected in our training program, operating procedures, and standards and specifications.

We describe our mandatory and recommended standards, specifications, and operating procedures in our confidential operating manuals ("Manual"). We will loan one copy of, or provide electronic access to, the Manual for the term of the Master Franchise Agreement. We may periodically change, improve, add to, and further develop the Manual and the elements of the System.

Wahlburgers Master Franchise

We are offering, under the terms of this disclosure document, the opportunity to become a Wahlburgers master franchisee. As a Wahlburgers master franchisee, you will grant licenses to subfranchisees ("Subfranchisees") within a designated development territory ("Development Territory") for the right to develop and operate Wahlburgers Restaurants and you will support those Subfranchisees and their subfranchised Wahlburgers Restaurants ("Subfranchised Restaurant(s)") pursuant to the terms of a subfranchise agreement between the Subfranchisee you.

If we grant you the right to become a Wahlburgers master franchisee, you will execute our master franchise agreement, attached as Exhibit C to this disclosure document ("Master Franchise Agreement"), and will be granted the right and obligation to have open and operating a mutually agreed upon number of Subfranchised Restaurants in the Development Territory in accordance with a mutually agreed upon schedule ("Development Schedule"). For each subfranchise that you grant for the operation of a Subfranchised Restaurant, you must utilize and execute our then-current standard form of subfranchise agreement, as we may prescribe and amend from time to time ("Subfranchise Agreement"). Our current form of Subfranchise Agreement is attached as Exhibit 2 to the Master Franchise Agreement.

Prior to executing a Subfranchise Agreement for a Subfranchised Restaurant, you will: **(a)** screen the prospective Subfranchisee to verify that the prospective Subfranchisee meets all criteria for Subfranchisees pursuant to a franchise marketing strategy you develop and we approve or as we otherwise require periodically; **(b)** submit to us a complete report (containing that information we reasonably require) for the prospective Subfranchisee; and **(c)** obtain our written consent to the prospective Subfranchisee and the proposed site at which the prospective Subfranchisee will

operate its Subfranchised Restaurant. Unless we grant our prior written approval otherwise, all Subfranchised Restaurants must be full-service restaurants. In addition, our prior written consent is required before a Subfranchisee can relocate or cease operations at a Subfranchised Restaurant.

As a Wahlburgers master franchisee, you will be required to conduct our initial training program for your Subfranchisees, prepare and implement an approved franchise services program, conduct ongoing inspections, evaluations and consultation services with respect to all Subfranchised Restaurants and perform such other services for your Subfranchisees and their Subfranchised Restaurants as set forth in more detail in the Master Franchise Agreement and the Subfranchise Agreement.

This disclosure document offers a franchise only for the right to operate as a Wahlburgers master franchisee. Under a separate disclosure document, we also offer the right to develop, open and operate individual Wahlburgers Restaurants. Under this disclosure document, you obtain no right to develop, open or operate a Wahlburgers Restaurant and we are not making any offer of a Wahlburgers Restaurant unit franchise under this disclosure document.

Market and Competition

The market for gourmet burger restaurants is well-developed and is not seasonal. You and your subfranchisees will compete with other national and regional gourmet burger restaurant brands as well as other franchised, chain or independent restaurants. Some of our competitors have longer operating histories than ours. The restaurant business is highly competitive based on price, service, restaurant location and food quality and is subject to fluctuations in consumer tastes, economic conditions, population, and traffic patterns. The ability of each Subfranchised Restaurant to compete depends on location, ingress and egress, signage, parking, service, ability to attract and maintain highly motivated employees, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

Although we carefully evaluate persons who wish to become our master franchisees, no screening process that we implement can conclusively determine whether you will succeed as a Wahlburgers master franchisee. Similarly, completion of our training program does not provide any assurance of success. You must rely on your own assessment of your suitability (in terms of energy, business skill, desire, temperament, people skills, and financial capability, among other things) and your own advisors.

Industry-Specific Laws

Because you will be offering and selling subfranchises, you will need to comply with the federal, state and local laws, rules and regulations that apply to the offer and sale of subfranchises. As such, you will prepare (and amend as necessary) a subfranchise disclosure document in compliance with federal and state laws, rules and regulations, and be subject to certain disclosure requirements to prospective subfranchisees. In certain states, you will be required to register the subfranchise offering with the applicable state agency prior to the offer and sale of these subfranchises. You may not offer or sell subfranchises in these states until you have an effective registration. Further, some states also have franchise relationship laws with which you may have to comply that impact the default, termination, transfer and renewal of subfranchises. You are exclusively responsible for compliance with all federal and state franchise and business opportunity laws, and the payment of all registration and filing fees, and all associated attorney fees. We recommend that you obtain the services of a franchise attorney in order to comply with all applicable franchise and business opportunity registration and disclosure laws.

In addition, you must comply with all local, state and federal laws and regulations applicable to the operation of a business generally (such as the Americans with Disabilities Act) with which you must comply. You should consult with your attorney concerning all laws and regulations that may affect your business.

ITEM 2

BUSINESS EXPERIENCE

Manager: Wahlburgers Holding Company LLC (“WB Holding”)

As stated in Item 1, our sole member is WB Holding. WB Holding is also our sole manager. WB Holding’s managers are CTB, DW and NBB. The sole manager of CTB is Mark Wahlberg. The sole manager of DW is Donnie Wahlberg. The sole manager of NBB is Paul Wahlberg.

For more than 5 years, Mark Wahlberg has been an actor and producer, and Donnie Wahlberg has been an actor, producer and musician. Paul Wahlberg has been the Executive Chef at the Wahlburgers Restaurants operated by our affiliates, PFG, WF and WL, in Massachusetts since their respective openings (October 2011, June 2015 and October 2015) and at Alma Nove Restaurant in Hingham, Massachusetts since June 2010.

President and Chief Executive Officer - John C. Fuller

Mr. Fuller has served as our President and Chief Executive Officer since May 2020. From August 2015 to March 2020, he was President and Chief Executive Officer for International Coffee & Tea LLC d/b/a The Coffee Bean & Tea Leaf in Los Angeles, California.

Chief Legal and Administrative Officer: Alan E. McKenna

Mr. McKenna has served as our Chief Legal and Administrative Officer since March 2021. From June 2019 to March 2021, he was Vice President and General Counsel. From May 2010 to May 2019, Mr. McKenna was a partner in the law firm of Stevenson, McKenna & Callanan in Boston, Massachusetts.

Senior Vice President of Operations and Development - James A. Smith Jr.

Mr. Smith has served as our Senior Vice President of Operations and Development since June 2020. From December 2014 to June 2020, he was Vice President of Operations for International Coffee & Tea LLC d/b/a The Coffee Bean & Tea Leaf in Los Angeles, California.

Vice President of Purchasing/Food and Beverage: Christopher Snyder

Mr. Snyder has served as our Vice President of Purchasing/Food and Beverage since October 2017. From January 2006 to September 2017, he served as Vice President of Purchasing and Beverage for Bertucci's Corporation in Boston, Massachusetts.

ITEM 3

LITIGATION

Leonard v. Wahlberg, CA No. 1783CVOO189 (Mass. Sup. Ct.)

On February 21, 2017, William Leonard and Shipyard Burger, LLC, minority owners in WB Holding, filed this action in the Plymouth, Massachusetts Superior Court against Mark Wahlberg, Donnie Wahlberg, Paul Wahlberg, DW, CTB, NBB and our former Chief Executive Officer, Rick Vanzura, alleging that defendants breached a fiduciary duty they owed to plaintiffs, breached the terms of the operating agreement for WB Holding and misrepresented business opportunities to plaintiffs. Plaintiffs sought damages in an unspecified amount, production of certain records to which plaintiffs claim to be entitled under Massachusetts law and an accounting to determine the value of plaintiffs' ownership interests in WB Holding. On June 7, 2019, defendants and William Leonard entered into a settlement agreement under which CTB agreed to acquire Mr. Leonard's interest in WB Holding. This action was dismissed with prejudice on July 31, 2019.

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

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

When you sign the Master Franchise Agreement, you must pay us a Development Fee of \$1,000,000. The Development Fee is fully earned when paid, not refundable under any circumstances and is not credited against any other fees to be paid to us (unless you pay us a deposit in advance of the Development Fee, in which case the Development Fee will be credited against such deposit).

ITEM 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Portion of the Initial Subfranchise Fee	The greater of \$30,000 or 50% of the Initial Subfranchise Fee charged per Subfranchised Restaurant	Upon execution of each Subfranchise Agreement	The amount of the Initial Subfranchise Fee will be set forth in each Subfranchise Agreement.

Type of Fee (1)	Amount	Due Date	Remarks
Subfranchise Royalty	3% of each Subfranchisee's Fiscal Period Gross Sales (2)	Before 5:00 pm on the 10 th day after the end of each Fiscal Period – by electronic funds transfer (2) (4)	See Note (3) for a definition of Gross Sales and Note (4) for a definition of Fiscal Period.
Brand Fund Contribution	0.50% of each Subfranchisee's Fiscal Period Gross Sales	Same as Subfranchise Royalty	
Point of Sale Materials	Our cost	As incurred	If we develop any point-of-sale materials, we may offer to sell those to you at a reasonable cost.
Transfer Fee	\$15,000	Upon submission of request for consent to transfer	
Additional Training	As of the issuance date of this disclosure document, there is no charge for attending additional training in the form of regularly-scheduled classes at our offices or designated training facilities if space is available.	As incurred	We have the right to charge a fee for additional training, whether mandatory or optional. You must also pay all travel, living, and other expenses incurred by your employees while attending any additional training programs.
Training Facility Certification	We currently do not charge a fee for certification of your training facility, although we reserve the right to do so.	Upon demand	You must establish a training facility at which the Wahlburgers initial training program will be offered. We, in our sole discretion, will provide the assistance that we consider to be reasonably necessary to assist you in establishing the training facility. You must reimburse us for all travel, living, food and other expenses incurred while traveling to and from, and visiting, the training facility as we require.
Indemnification	Actual losses and expenses incurred by us and our officers, affiliates, managers, members, etc.	As incurred	You must defend, indemnify and hold us and our officers, affiliates, managers, members, etc. harmless with respect to any and all claims arising directly or indirectly from, as a result of, or in connection with the Master Franchise Agreement and any Subfranchise Agreement.

Type of Fee (1)	Amount	Due Date	Remarks
Interest	Interest on the amount owed from the due date until paid	When any payment due to us from you is not received in full by the due date	The interest rate is the lesser of 1.5% per Fiscal Period/portion of a Fiscal Period or the maximum rate permitted for indebtedness of this nature in the state in which you are located.
Late Fee	\$100	When any payment due to us from you is not received by the due date	Payable at our discretion.
Collection Costs	All costs and expenses that we incur, including reasonable professional fees	Upon demand	These costs and expenses may include commissions due a collection agency and all costs associated with litigation, in addition to interest charges on these costs.
New Product and Supplier Testing	A reasonable fee, not to exceed the actual cost of inspecting and testing the proposed product or evaluating the proposed supplier, including personnel and travel costs	Within 30 days after receipt of invoice	Payable if you ask us to review a new supplier or new product, whether or not we approve the supplier or product (see Item 8 for a description of the supplier approval process).
Reimbursement of Insurance Costs	Cost of insurance, plus a reasonable fee for our services in procuring the insurance	Upon demand	Payable only if you fail to obtain and maintain the minimum insurance we require, and we choose to procure the required insurance for you.
Taxes	You must reimburse us for any taxes, fees, and/or assessments imposed on us by reason of our acting as franchisor or licensing the Proprietary Marks (as defined in Item 13)	Within 30 days after receipt of the invoice	
Inspections Costs	All costs and expenses incurred	Within 10 days after receipt of invoice from us	The inspection costs may be related to us or our designee conducting an inspection, observation, videotaping, removal or interview of a Subfranchised Restaurant

NOTES

- (1) Unless otherwise noted, all fees are imposed by, collected by, and payable to us and are not refundable. We anticipate that the fees identified in this Item 6 will be uniformly imposed on our similarly situated master franchisees in the United States.
- (3) “Gross Sales” include all revenue from the sale of all services and products (including, but not limited to, Branded Merchandise) and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed, on-premises sales, other sales made or sold, at, in or upon or from the premises of a specific Wahlburgers

Restaurant, and any other type of sale) related to a specific Wahlburgers Restaurant, whether for cash or credit and regardless of collection in the case of credit. Gross Sales will not include: **(a)** any bona fide documented sales (but not value added) taxes collected by the applicable Subfranchisee from customers and paid by the applicable Subfranchisee to the appropriate taxing authority; **(b)** the sale of food, beverage or merchandise for which refunds have been made in good faith to customers; **(c)** the sale of equipment used in the operation of the applicable Wahlburgers Restaurant; **(d)** customer promotional discounts authorized by Wahlburgers; and **(e)** employee meal discounts.

- (4)** Currently, each "Fiscal Period" is a calendar week. We have the right, following written notice to you, to vary the time period that comprises a Fiscal Period.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (1)	Method of Payment	When Due	To Whom Payment Is To Be Made
Development Fee	\$1,000,000	Lump Sum/Cash	No later than the date on which you sign the Master Franchise Agreement	Wahlburgers
Furnishing, Fixtures, Equipment (2)	\$0- \$3,000	As Arranged	As Ordered	Suppliers
Computer Software and System (3)	\$0 - \$5,000	As Arranged	As Ordered	Suppliers
Travel and Living Expenses While Training (4)	\$10,000 - \$25,000	As Incurred	As Incurred	Airlines, Hotels, Restaurants
Legal and Accounting Fees (5)	\$40,000 - \$50,000	As Incurred	As Incurred	Lawyers, accountants
Franchise Registration Fees (6)	\$6,000- \$8,000	As Incurred	As Incurred	State agencies
Additional Funds -- 3 months (7)	\$50,000 - \$100,000	As Incurred	As Incurred	Employees, Suppliers, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT FOR MASTER FRANCHISE BUSINESS (8)	\$1,106,000 - \$1,191,000			

NOTES

- (1)** None of the costs shown on this table are refundable unless a supplier has a refund policy of which we are not aware.

- (2) The costs of these items are dependent on the size and configuration of the offices from which you act as master franchisee. This estimate includes costs such a phone system, desks, other office furniture, filing cabinets and related office supplies. The costs for furniture and fixtures may differ depending on the material quality and on other factors. It is assumed that some of the equipment will be leased. If you elect to purchase such equipment, your costs may be higher.
- (3) If you do not already have one available for your use as a Wahlburgers master franchisee, you must purchase and utilize a computer hardware, software, internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment ("Computer System"). While we reserve the right to mandate the make and model for your Computer System, we do not currently do so. You must obtain high-speed communications access for your Computer System. You also agree to maintain a functioning e-mail address for your Wahlburgers master franchise business. The cost of the Computer System that you will be required to purchase varies depending on your number of employees that you hire.
- (4) As described in Item 11, prior to the opening of the first Subfranchised Restaurant developed pursuant to the Master Franchise Agreement, the number of trainers we specify must attend our initial Wahlburgers initial training program. We do not charge tuition for this training program, but you are responsible for all salaries, benefits, and travel, living, and other expenses incurred by you and your employees while attending the training. The cost of these expenses will depend on the distance you must travel, the types of accommodations, the number of your employees attending training, and their wages.
- (5) We recommend strongly that you engage the services of professionals to assist you in evaluating our master franchise and to help you establish your business. This will include attorneys and accountants. Actual cost depends on the work done by your attorneys and accountants and their rates.
- (6) This range varies based on the number of states in which the subfranchise offering is registered.
- (7) This is our estimate of your operating expenses for the initial 3 months of your business, including payroll costs for management, rent, insurance, and utilities. These expenses do not include advertising or royalty payments made to us. The estimate also does not take into account revenue you may take in. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience and business acumen; financing costs; local economic conditions; the prevailing wage rate; competition in the market place; and the sales level reached during the initial period.
- (8) We relied on our and our affiliates' experience offering to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase a master franchise. We do not offer financing directly or indirectly for any part of the initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Supplier Approval Process

We have the right to require that all food and non-food products (including, but not limited to, Branded Merchandise), supplies, equipment and services that you and your Subfranchisees purchase for use, sale or resale: **(a)** meet specifications that we establish from time to time; **(b)** be purchased only from suppliers that we have consented to (which may include us and/or our affiliates); and/or **(c)** be purchased only from a single source or from a limited number of designated sources (which may include us and/or our affiliates). To the extent that we establish specifications, require our consent to suppliers or designate specific suppliers for particular items, we will publish our requirements in the Manual or otherwise in writing (which includes electronic publication).

We have developed and may continue to develop certain proprietary food products that will be prepared by or for us according to our proprietary special recipes and formulas. You must require your Subfranchisees to purchase and use those food products developed by us pursuant to a special recipe or formula only from us, our affiliates or a third party designated and licensed by us to prepare and sell such products. We may create purchasing restrictions to control the quality and selection, and ensure the consistency, of menu items, ingredients, Branded Merchandise and other merchandise; to consolidate System purchases to reduce costs or ensure availability of products; or for other valid business reasons.

Branded Merchandise currently must be purchased exclusively from Stran Promotional Solutions ("Stran"). During fiscal year 2020, the total amount received from Stran from franchisee purchases of Branded Merchandise was \$12,657.65. This represents 0.3% of our total 2020 revenues of \$4,058,886.

You may not, and must ensure that your Subfranchisees do not, engage in "grey market" activities in which you take advantage of any group purchasing arrangements for Wahlburgers Restaurants to purchase products that are then resold to purchasers outside of the System or use in a business outside of the System.

As of the issuance date of this disclosure document, neither we nor any of our affiliates are approved suppliers for any product. We and our affiliates may earn income on sales of products (including, but not limited to, Branded Merchandise), ingredients, and/or supplies to you. We may receive rebates, commissions, or other payments from third-party suppliers based on your purchases from them. As of the issuance date of this disclosure document, however, except with respect to Branded Merchandise (as detailed above), such rebates, commissions, or other payments are returned to franchisees and/or contributed to the Brand Fund. You agree that we are entitled to retain such income and consideration.

As noted above, Branded Merchandise must be purchased from us or a source designated by us. If you would like to purchase other products or services from a supplier to which we have not consented, you must submit a written request for consent. Criteria for approving proposed suppliers will be made available to you on your request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products. You agree to pay to us a reasonable fee, not to exceed the actual cost of the inspection and testing the proposed product or evaluating the proposed supplier, including personnel and travel costs, whether or not the product or supplier is accepted. We have the right to grant, deny or revoke consent to products, services

and suppliers in our sole discretion. We will notify you of our decision as soon as practicable following our evaluation, not to exceed 90 days. If approval is obtained, you may contract with the accepted supplier. We reserve the right to reinspect the facilities and products of any accepted supplier and revoke acceptance in writing upon the supplier's failure to meet any of our then-current criteria.

We estimate that the purchase of products from us, our affiliates, or our approved or designated suppliers and/or products that are subject to our standards and specifications represents approximately 1-5% of your overall purchases in establishing a Wahlburgers master franchise business and 1-5% of your overall purchases in operating as a Wahlburgers master franchisee.

Currently, we do not provide material benefits to you based on your use of approved or designated suppliers. As of the issuance date of this disclosure document, we have negotiated system-wide purchasing arrangements, including pricing terms, with Sysco, Coca-Cola, Ecolab, Stran, Wolverine, Turano, FireKing and Lamb Wesson to maximize the combined purchasing power benefit of all Wahlburgers Restaurants. We do not currently have purchasing or distribution cooperatives, but we reserve the right to establish them.

There are no approved suppliers in which any of our officers own an interest.

Computer System

See Item 11 for information regarding our current minimum standards for the Computer System for your master franchise business and your related obligations under the Master Franchised Agreement.

Insurance

During the term of the Master Franchise Agreement, you must maintain in full force and effect such insurance, with such minimum liability coverages, as we may periodically determine to be necessary or appropriate to cover all existing, anticipated or threatened difference, claim controversy, case, suit, action, proceeding, dispute, demand, cause of action, complaint, defense, affirmative defense, counterclaim, impleader, interpleader, third party or derivative claim, class action, investigation, petition for legal, equitable or declarative relief, inquiry, whether formal or informal, or other claim arising out of, in connection with or in relation to the Master Franchise Agreement, any Subfranchise Agreement or any related agreement.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Master Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 10.1	Items 7 and 11
b. Pre-opening purchases/leases	Not Applicable	Items 5, 7 and 8

Obligation	Section in Master Franchise Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Section 10	Items 7 and 11
d. Initial and ongoing training	Section 9	Items 6, 7 and 11
e. Opening	Section 10	Item 11
f. Fees	Section 4 and Appendix B	Items 5 and 6
g. Compliance with standards and policies/ Manual	Section 6	Items 8, 11, and 14
h. Trademarks and proprietary information	Sections 13 and 17.2	Items 13 and 14
i. Restrictions on products/services offered	Section 11.10	Item 16
j. Warranty and customer service requirements	Not Applicable	Item 11
k. Territorial development and sales quotas	Sections 2.1, 2.3, 2.5, 2.6	Item 12
l. Ongoing product/service purchases	Section 11.10	Item 8
m. Maintenance, appearance and remodeling requirements	Not Applicable	Item 11
n. Insurance	Section 12	Items 6, 7 and 8
o. Advertising	Section 8, 11.9	Items 6 and 11
p. Indemnification	Section 21	Item 6
q. Owner's participation/management/staffing	Section 11.12	Items 11 and 15
r. Records and reports	Section 5	Item 6
s. Inspections and audits	Sections 5.3, 7 and 11.8	Items 6, 8, and 11
t. Transfer	Section 16	Items 6 and 17
u. Renewal	Not Applicable	Item 17
v. Post-termination obligations	Section 19.3	Item 17
w. Non-competition covenants	Section 17.3	Item 17
x. Dispute resolution	Section 26	Item 17

ITEM 10

FINANCING

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Our Pre-Opening Obligations

Before you commence operations as a Wahlburgers master franchisee, we will:

1. Provide you prototypical plans and specifications for a Wahlburgers Restaurant. (Master Franchise Agreement §6.1)

2. Loan you one copy of, or provide you with electronic access to, the Manual, which contains detailed information related to the Wahlburgers System, Wahlburgers Restaurants and/or the Proprietary Marks. You may keep the Manual for as long as the Master Franchise Agreement remains in effect, but the Manual remains our property. We may revise the contents of the Manual, and you agree to comply with each new or changed section. (Master Franchise Agreement § 6.1). We will permit you to inspect a copy of the Manual at our offices before you purchase a franchise, if you first sign a Confidentiality Agreement, which is attached as Exhibit D.

3. Advise you in writing whether we have approved your plan to sell and offer for sale to Subfranchisees licenses to develop, open and operate Subfranchised Restaurants in the Development Territory ("Franchise Marketing Strategy"), which Franchise Marketing Strategy you must submit to us within 60 days after the Effective Date of the Master Franchise Agreement. (Master Franchise Agreement § 11.2)

Our Obligations After Opening

During your operation as a Wahlburgers master franchisee, we will:

1. Advise you in writing whether we have approved your program to support Subfranchisees, which includes initial and continuing services, identify sources of approved equipment and supplies, set up periodic communications with Subfranchisees and perform periodic inspections of Subfranchised Restaurants to determine compliance with the Subfranchise Agreements. ("Franchise Services Program"), which Franchise Services Program you must submit to us by at least 60 days before the opening date of the first Subfranchised Restaurant. (Master Franchise Agreement § 11.2)

2. Advise you in writing whether we have approved prospective Subfranchisee candidates that you propose (Master Franchise Agreement § 11.3)

3. Advise you in writing whether we have accepted sites for Subfranchised Restaurants that you propose to us within 30 days after we receive a complete site review report (as determined by us).

4. Collect, administer, and spend for advertising purposes monies paid by master franchisees, unit franchisees and company-operated Wahlburgers Restaurants into the Brand Fund as described below. (Master Franchise Agreement § 8.1)

5. Periodically change the System, including modifications to the Manual, the menu, the required equipment, the signage, the Proprietary Marks, and the Trade Dress. You must comply, and require your Subfranchisees to comply, with any such System changes and make such expenditures as the System changes require. We also have the right to vary System standards, in our reasonable judgment, to accommodate circumstances of individual franchisees. (Master Franchise Agreement § 6.2)

6. Prior to the opening of the first Subfranchised Restaurant developed under the Master Franchise Agreement, we will provide the Wahlburgers initial training program to your trainers. (Master Franchise Agreement § 9.1)

7. Provide additional ongoing training to your training personnel at the times and locations that we designate. (Master Franchise Agreement § 9.1)

8. Provide the assistance that we consider to be reasonably necessary to assist you in establishing a training facility at which you will offer the Wahlburgers initial training program. The training facility must be certified by us before you commence any training at the training facility, and we may periodically visit and evaluate the training facility and your trainers to ensure that they continue to meet our standards. We may revoke our certification of the training facility if the training facility or your trainers cease to meet our standards. (Master Franchise Agreement § 9.2)

Brand Fund and Marketing

Brand Fund. We have established a Brand Fund to which each Subfranchisee must contribute 0.50% of its Fiscal Period Gross Sales. There currently is no franchisee advertising council that advises us on advertising policy.

We may use the Brand Fund contributions and any earnings of the Brand Fund for any costs associated with advertising, marketing, public relations, promotional programs and materials (which may be national, regional or local in scope) and/or any other activities that we believe would benefit the System, including the following: advertising campaigns in various media; point-of-purchase materials; review of locally-produced ads; free standing inserts; brochures; purchasing and/or developing promotional materials; market research, including secret shoppers; sponsorships; design and maintenance of a web site; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; accounting costs; and holding an annual franchise convention. We will not use the Brand Fund for any activity whose sole purpose is the marketing of franchises or the soliciting of franchisees; however, you acknowledge that the Wahlburgers web site, public relations activities, community involvement activities, and other activities that may be supported by the Brand Fund may contain information about franchising opportunities. We have the right to direct all programs supported by the Brand Fund, with final discretion over creative concepts, the materials and media used in the programs, and their placement. We may work with our in-house advertising department and/or a regional advertising agency to develop advertising for print and radio. We do not guarantee that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund. In spending advertising monies, we will not be obligated to make expenditures for any franchisee or subfranchisee that are equivalent or proportionate to that franchisee's or subfranchisee's contribution or to ensure that any particular franchisee or subfranchisee benefits directly or on a pro rata basis from expenditures of the funds. We likewise will not be obligated to spend any amount on advertising in the area of territory in which you or your Subfranchisees are located. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Brand Fund.

We will not use any contributions to the Brand Fund to defray any of our general operating expenses, except for reasonable administrative costs and overhead that we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including salaries of our personnel who devote time to Brand Fund activities). We will separately account for the Brand Fund, but we do not need to segregate Brand Fund monies from our other monies.

Any point-of-sale materials produced with Brand Fund monies will be made available to you at a reasonable cost, and the proceeds of such sales will be credited to the Brand Fund. We are not required to have an independent audit of the Brand Fund completed. We will make available an unaudited statement of contributions and expenditures for the Brand Fund no sooner than 90 days after the close of our fiscal year to franchisees who make a written request for a copy. Wahlburgers Restaurants owned by us and/or our affiliates will contribute to the Brand Fund on the same basis as comparable franchisees. If we reduce the Brand Fund Contribution for comparable franchisees, we will have the right to reduce by the same amount the required contribution for Wahlburgers Restaurants operated by us or our affiliates.

In our last fiscal year, of the total monies spent by the Brand Fund, approximately 44% was spent on digital; approximately 15% was spent on brand strategy; approximately 9% was spent on creative development; approximately 8% was spent on quarterly national programs; approximately 6% was spent on new store opening support; approximately 2% was spent on website development and approximately 16% was spent on miscellaneous expenses, including consultants, legal fees, MIRA Subscription and Chatmeter. No money was spent by the Brand Fund to solicit new franchisees.

We may spend in any fiscal year an amount greater or less than the aggregate contribution of Wahlburgers Restaurants to the Brand Fund, generally, we believe that we will spend all advertising payments during the taxable year in which the contribution and earnings are received. If we do not spend the advertising payments in one year, we will likely spend them in the following year or distribute any surplus to then-current franchisees who contribute to the applicable Fund and restaurants operated by us or our affiliates.

Local Marketing. You must, at all times throughout the term of the Master Franchise Agreement, use your best efforts to advance the reputation of Wahlburgers Restaurants and the products sold under the Proprietary Marks and to develop awareness of Wahlburgers Restaurants among consumers in order to increase the goodwill of the Proprietary Marks and the System. Prior to use, you must submit all advertising materials to us for our approval, which approval will not be unreasonably withheld.

Point-of-Sale Materials. If we develop any point-of- sales materials, we may offer to sell those to you at a reasonable cost.

Social Media. We may establish a "Social Media" policy (defined as any form of electronic communications, including Internet web sites, social networking sites, applications or other future technological avenues that enable users to create and share content or to participate in social networking), and you must comply with any such Social Media policy, as modified periodically, and any additional policies that we issue. Any copyright in your sites or pages on any Social Media are owned by us, and you must sign any documents that we reasonably deem necessary to affirm our ownership of the copyright.

Public and Media Relations. You may not issue any press or other media releases or other communications without our prior consent. As a master franchisee of the System, you may only participate in internal and external communications activities that create goodwill, enhance our public image, and build the Wahlburgers brand.

Computer System

If you do not already have one available for use as a Wahlburgers master franchisee, you must purchase and utilize a Computer System. While we reserve the right to mandate the make

and model for your Computer System, we do not currently do so. You must obtain high-speed communications access for your Computer System. You also agree to maintain a functioning e-mail address for your Wahlburgers master franchise business. If you do not have a suitable Computer System, it may cost you up to \$5,000 to acquire a suitable Computer System.

We will have independent access to the information and data on the Computer System, and there are no contractual limitations on our right to access that information. Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. Currently, there are no optional or required maintenance/upgrade contracts for your Computer System. We estimate that the annual cost of optional or required maintenance, upgrades, or updates for your Computer System is approximately \$1,000 - \$3,000.

Typical Time Between Agreement Signing and Opening

We estimate that there will be an interval of 90 to 180 days between the signing of the Master Franchise Agreement and you beginning to act as master franchisee. You may not begin acting as master franchisee until you have complied with all franchise registration and disclosure requirements.

Training

ITP. Prior to the opening of the first Subfranchised Restaurant developed pursuant to the Master Franchise Agreement, your trainers must attend and successfully complete the Wahlburgers initial training program ("ITP"). The length of the ITP is 2 weeks. We offer the ITP during the year on an as-needed basis. Until you have established a training facility, we will provide your employees and you the ITP at locations we determine periodically, including a Wahlburgers Restaurant operated by our affiliates and/or our corporate office, which is currently in Hingham, Massachusetts.

The initial training must be completed before any trainer provides training to your employees, Subfranchisees or any other person and before any Subfranchised Restaurant opens. Upon our request, as a prerequisite to the ITP, your trainers must successfully complete (as we determine in our sole discretion), at your cost, a ServSafe food safety training and certification program administered by the National Restaurant Association Educational Foundation. Any replacement employees who are required to attend the ITP, may do so, subject to space availability and your payment of a training fee. You must pay all salaries, benefits, travel, living, and other expenses incurred by your employees while attending the training. We have the right to dismiss from the ITP any person whom we believe will not perform acceptably in the position for which he/she has been hired, and you must provide a suitable replacement within 30 days of dismissal. If you or your trainers fail to complete the ITP to our satisfaction, we may terminate the Master Franchise Agreement or permit you or your trainers to repeat the ITP at the next available scheduled training session. We reserve the right to charge a training fee if you or your trainers are required to repeat the ITP.

Our Director of Training & Franchise Support, Caitlin Clair, is currently responsible for the training program. Ms. Clair has approximately 10 years of experience in food and beverage services and 9 years of experience in training. She became Director of Training & Franchise Support in November 2020.

The following chart summarizes the subjects taught during ITP:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
General Management/ Concept/Culture	5.25	0	Our corporate office which is currently located in Hingham, Massachusetts or an affiliate-owned Wahlburgers Restaurant
Front of the House	0	16	An affiliate-owned Wahlburgers Restaurant
Back of the House	0	16	An affiliate-owned Wahlburgers Restaurant
Shadow Manager on Duty	0	47.75	An affiliate-owned Wahlburgers Restaurant

Training by Master Franchisee and Certification of Your Training Facility. You will conduct such initial and continuing training programs for your employees and for your Subfranchisees and Subfranchisees' employees as we may require periodically. You must establish a training facility in the Development Territory (which may be a Subfranchised Restaurant) at which the ITP will be offered. Following our certification, you will train all persons who must complete the ITP at the training facility unless we advise you otherwise or our certification is revoked. Before any Subfranchisee may open a Subfranchised Restaurant, up to 4 Restaurant Manager candidates for the respective Subfranchised Restaurant will attend, and successfully complete, the ITP provided by Master Franchisee at the training facility.

Ongoing Training. We may require you or any trainer or any employee of you or a Subfranchisee whom we may designate periodically take and successfully complete (as we determine in our sole discretion), at the times and locations that we designate, training other than the initial Wahlburgers restaurant management training. We reserve the right to require you or a Subfranchisee to pay tuition for any such additional training in amounts we determine periodically.

Except for the initial trainers who receive the Wahlburgers management training program, we reserve the right to require you to pay a training fee for each person who participates in any training we conduct (regardless of whether such training is mandatory, voluntary or conducted at your request). Such tuition will be payable in amounts we determine periodically in advance of the relevant training and will be refundable, if at all, only on terms and conditions as we may periodically determine. You will be responsible for all costs, expenses and liabilities related to participation of your employees in any training under the Master Franchise Agreement. Such costs, expenses and liabilities will include, but not be limited to, all travel, living, food, insurance and other expenses reasonably incurred by you or your employees in connection with any training under the Master Franchise Agreement.

Any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

Training Materials and Methods. Our training materials include our training manual, and on-the-job training guides. All training materials that we provide to you remain our property.

Except for the ITP, we have the right to provide training programs in person, on DVD, via the Internet, in printed or electronic format, or by other means, as we determine.

ITEM 12

TERRITORY

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

Under the Master Franchise Agreement, you will receive a Development Territory, which will be the geographic area comprised of tribally owned/controlled locations in United States of America (other than Hawaii and Rhode Island), except for the following locations which are specifically excluded from the Development Territory and reserved to Wahlburgers or Wahlburgers' Affiliates or third party licensees or franchisees: **(A)** Foxwoods Resort and Casino, Ledyard, CT 06338; **(B)** Mohegan Sun Casino in Uncasville, CT; and **(C)** Morongo Casino Resort & Spa, Cabazon, CA 92230.

We reserve to ourselves, and we do not grant to you any, rights to take, or license any third party to take, the following actions in the Development Territory during or after the Development Term: **(1)** develop, open and operate Wahlburgers Restaurants at any location other than in a Casino; **(2)** develop, open and operate any restaurants, other than Wahlburgers Restaurants, at any location; **(3)** grant local, regional, national or international licenses to any third party to sell products under the Proprietary Marks in foodservice facilities primarily identified by the trademark of a third party; **(4)** merchandise or distribute products identified by the Proprietary Marks (including Branded Merchandise) through any method or channel of distribution other than Wahlburgers Restaurants, including, without limitation, by means of electronic commerce, any Website and through supermarkets or other retail facilities; **(5)** develop, open and operate any other business under any system other than the Wahlburgers System; **(6)** develop and own other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and/or **(7)** purchase, being purchased by, merge or combine with, businesses that directly compete with Wahlburgers Restaurants.

In addition, nothing in the Master Franchise Agreement has the effect of prohibiting us or our affiliates from developing, opening and/or operating, and/or licensing any third party to develop, open and/or operate: **(A)** Wahlburgers Restaurants at any location outside of the Development Territory during and/or after the Development Term; **(B)** Wahlburgers Restaurants at any location within the Development Territory that is not a Casino during and/or after the Development Term; **(C)** Wahlburgers Restaurants at any location in the Development Territory after the Development Term is terminated or expires; and/or **(D)** any other business under any system other than the Wahlburgers System at any location in or outside the Development Territory during or after the Development Term.

Except as reserved in the paragraphs above, so long as you are in full compliance with the Master Franchise Agreement, we will not develop, open or operate, or license any third party to develop, open or operate, any Wahlburgers Restaurant at a Casino in the Development Territory during the Development Term. We will have the right to modify or terminate Master Franchisee's limited exclusive rights in the Development Territory in accordance with Section 18.1 of the Master Franchise Agreement as an alternative to terminating the Development Term.

Continuation of the limited restrictions on our ability to operate and license others to operate Wahlburgers Restaurants in the Development Territory does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default of the Master Franchise Agreement (which may include, but is not limited to, a default for failing to comply with the Development Schedule) or any agreement related to the Master Franchise Agreement and fail to cure the default within the applicable cure period (if any), we may terminate the Master Franchise Agreement and your limited rights in the Development Territory. There are no other circumstances in which we can unilaterally modify your limited rights in the Development Territory.

There are no restrictions on the areas in which you or we may advertise or solicit customers, nor must we compensate you if we solicit or accept orders from inside the Development Territory. We reserve all rights to use and license the System other than those we expressly grant under the Master Franchise Agreement. The rights we reserve include the right to use any other channel of distribution, including the Internet, to make sales in the Development Territory using the Proprietary Marks or different proprietary marks.

ITEM 13

TRADEMARKS

We grant you the right to grant licenses to Subfranchisees to operate retail Subfranchised Restaurants under the "Wahlburgers" name and mark and to use the Proprietary Marks in connection with those Subfranchised Restaurants. By Proprietary Marks, we mean the "Wahlburgers" name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols, and designs that we have designated, or may in the future designate, for use with the System.

We have the right, following reasonable notice to you, to change, discontinue, or substitute any of the Proprietary Marks and adopt new Proprietary Marks for use with the System without any liability for any diminishment of the System. You and your Subfranchisees must implement any such change at your expense within the time that we specify.

In addition to other registered trademarks, the following principal trademarks have been registered by our affiliate, Wahlburgers I, LLC ("WB I"), with the United States Patent and Trademark Office ("USPTO") on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Mark	Registration Number	Registration Date
WAHLBURGERS	4,328,948	April 30, 2013
OUR FAMILY. OUR STORY. OUR BURGERS	4,297,131	March 5, 2013
	4,637,134	November 11, 2014

We have entered into a license agreement with WB I dated as of September 12, 2014 under which we have a perpetual license to use, and license third parties to use, the Proprietary Marks. We will provide you guidelines for the use of the Proprietary Marks. You must follow our guidelines and rules when you use the Proprietary Marks. You cannot use the Proprietary Marks in any manner not authorized by us or in any corporate or legal name. You cannot use any other trade names, service marks, or trademarks in conjunction with your master franchise business.

There are no presently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court relating to the principal Proprietary Marks. There are no pending infringement, opposition or cancellation proceedings or material litigation involving the principal Proprietary Marks. Except as stated above, there are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to you. We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal Proprietary Marks in any state.

The Master Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Proprietary Marks. The Master Franchise Agreement does require that you notify us promptly of any unauthorized use of the Proprietary Marks and any challenge by any person or entity to the validity of, our ownership of, or our right to use, any of the Proprietary Marks. We have the right, but not the obligation, to initiate, direct, and control any litigation or administrative proceedings relating to the Proprietary Marks, including any settlement. You must sign all documents and provide any other assistance we believe is necessary for the defense or prosecution of any such litigation or proceeding. You may not, directly or indirectly, contest, or aid in contesting, the validity, or our ownership, of the Proprietary Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents or copyrights, nor do we have any pending patent applications, that are material to your master franchise business or the System; however, we claim copyright protection in the Manual and certain forms, architectural engineering and construction plans, advertising materials, product specifications, computer programs, newsletters, training materials, and operations and accounting materials. We have not registered those materials with the United States Registrar of Copyrights.

The Manual and these other materials contain our detailed standards, specifications, instructions, forms, reports, and procedures for the management and operation of the Wahlburgers Restaurants. You must treat the Manual, training materials, and any other manuals or materials created or approved by us for use with the System as secret and confidential. You may not copy, duplicate, or otherwise reproduce the Manual or other materials provided by us. In addition, you may not make any confidential information or materials supplied by us available to any unauthorized person without our prior written consent.

You may not communicate, divulge, or use for any purpose other than the operation of the master franchise business any confidential information, knowledge, trade secrets, or know-how that may be communicated to you or that you may learn by virtue of the Master Franchise Agreement or the operation of the master franchise business. You may not divulge confidential information to anyone who is not an employee of you or your Subfranchisees who must have access to the information to develop or operate the master franchise business or Subfranchised Restaurants, respectively. All information, knowledge and know-how relating to us, our business

plans, or the System are deemed confidential, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or that, at the time of our disclosure to you, had become a part of the public domain. At our request, you must require your Subfranchisees and your and/or their employees and any other person or entity to whom you wish to disclose any confidential information to sign agreements providing that they will maintain the confidentiality of the disclosed information. The agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not obligated to participate personally in the day-to-day operation of the Wahlburgers master franchise business, but we recommend that you do so.

All direct or indirect holders of an equity interest in you of 10% or more ("10% Owners") must jointly and severally guarantee your payment and performance of your obligations under the Master Franchise Agreement and must bind themselves to the terms of those agreements by executing the guarantee attached thereto.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

As a Wahlburgers master franchisee, unless otherwise approved by us in writing, you must only offer and sell Wahlburgers subfranchises and those products and services that we have approved in the Manual or otherwise in writing. (See Items 8 and 9 for additional information regarding authorized products and services.) We, in our sole discretion, and without limitation, may periodically change the System, including modifications to the Manual, the menu (including authorized products), the required equipment, the signage, the Proprietary Marks and the Trade Dress. You must accept any such System changes and make such expenditures as the System changes require, and you must direct your Subfranchisees to do the same. We also have the right to vary System standards in particular instances as we deem appropriate in our reasonable judgment.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the master franchise agreement. You should read these provisions in the master franchise agreement attached to this disclosure document.

THE MASTER FRANCHISE AGREEMENT

Provision	Section In Master Franchise Agreement	Summary
a. Length of the franchise term	Section 3	The Development Term begins on the effective date of the Master Franchise Agreement and, unless sooner terminated, expires on the first to occur of: (a) the date that the last Wahlburgers Restaurant is required to be opened pursuant to the Development Schedule; or (b) the date that the last Wahlburgers Restaurant required by the Development Schedule opens for business. The Agreement Term begins on the effective date of the Master Franchise Agreement and, unless sooner terminated, ends on the date on which the last Subfranchise Agreement for a Subfranchised Restaurant developed under the Master Franchise Agreement expires or is terminated (or Wahlburgers' assumption of some or all of the Subfranchise Agreements)
b. Renewal or extension of the term	Not Applicable	
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Sections 18.1 and 19.1	We may terminate upon default.
g. "Cause" defined - curable defaults	Section 19.1	You have 30 days (10 days for any monetary default) to cure defaults other than those discussed in Sections 19.1 of the Master Franchise Agreement
h. "Cause" defined – non-curable defaults	Sections 18.1 and 19.1	Non-curable defaults include: failure to comply with the Development Schedule or construction of a Subfranchised Restaurant prior to execution of Subfranchise Agreement (as termination relates to the development term); failure to hold requisite license; insolvency; bankruptcy; execution levied against your business or property; abandonment of franchise; material breach of confidentiality or non-compete covenants); transfer without approval; material misrepresentation; falsification of reports; conviction or no contest plea to a crime likely to harm the System or our goodwill; default by your or your affiliates beyond cure period under any agreement with us or our affiliates; failure to comply materially with requirements; execution of a Subfranchise Agreement that includes a material modification to our form without our consent; no Subfranchised Restaurants in operation at expiration or termination of Development Term.

Provision	Section In Master Franchise Agreement	Summary
i. Your obligations on termination/non-renewal	Section 19.3	Obligations include, but are not limited to: loss of right to license subfranchises; return of materials to us; continued observance of covenants; payment of amounts due to us and our affiliates; forfeiture of Development Fee; de-identification of all facilities; cessation of use of System and confidential and proprietary information; and, sell to us or all Branded Merchandise. In addition, we will have the right to take assignment of your right in some or all Subfranchise Agreements without any payment to you.
j. Assignment of contract by us	Section 15	There are no restrictions on our right to assign.
k. "Transfer" by you-defined	Section 16 and Appendix A	Includes voluntary or involuntary sale, assignment, transfer, conveyance, merger, gift, donation, devise, bequest, placement in trust, placement in escrow, pledge, acquisition, merger, reorganization, public offering, exempt offering or private placement or other transfer, whether inter vivos, testamentary, intestate or otherwise in you, your owners, any person with a direct or indirect interest in your owners, in the Master Franchise Agreement or any Related Agreement, in any assets relating to your operations under the Master Franchise Agreement, a Subfranchise Agreement or any related agreement.
l. Our approval of transfer by you	Section 16.1(a)	Generally, if you propose to undertake a Transfer, you must obtain our prior written consent. The decision as to whether to consent to a Transfer will be made in the exercise of our business judgment, but our consent will not be unreasonably withheld.
m. Conditions for our approval of transfer	Section 16.1(b)	Except as provided below, if you propose to undertake a Transfer, the conditions for our consent include: Master Franchisee's full compliance with the Manual, Systems, Master Franchise Agreement, Subfranchise Agreements and any and all agreements with us, our affiliates or related to the Master Franchise Agreement; if applicable, payment of a transfer fee (see Item 6); simultaneous transfer of same interest with respect to all Subfranchised Restaurants owed by Subfranchisees affiliated with Master Franchisee; qualified transferee; sign assignment agreement and any other agreements that we require to reflect the transfer; sign, at our option, any amendments to the Master Franchise Agreement and/or our then-current standard form of master franchise agreement for a term ending on the expiration date of the Master Franchise Agreement; and, sign general release; sign guarantee.
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Not Applicable	

Provision	Section In Master Franchise Agreement	Summary
q. Non-competition covenants during the development term	Section 17.3(b)	<p>No interest in any Competitive Business. "Competitive Business" means any business, store, restaurant or location: (1) whose sales of hamburgers are reasonably likely to account for 10% or more of the food sales of the business in any calendar month; and/or (2) whose method of operation or trade dress is similar to that used in the System. "Competitive Business" does not, however, include those businesses in which any of your owners or you have a direct or indirect, legal or beneficial interest and: (a) that had been in operation prior to the date of the first franchise-related agreement between you and us; or (b) that your owners or you had contracted to develop prior to the date of the first franchise-related agreement between you and us, provided those businesses are listed in Exhibit A to the Master Franchise Agreement.</p> <p>In addition, you may not divert any business or customer to any Competitive Business.</p>
r. Non-competition covenants after the franchise is terminated or expires	Section 17.3(b)	For 2 years following the expiration, termination or transfer of the Master Franchise Agreement, no interest in any Competitive Business that is located in the Development Territory or within 2 miles of any then-existing Wahlburgers Restaurant.
s. Modification of the agreement	Section 24	No modification generally without signed agreement, but we may modify the System.
t. Integration/merger clause	Section 24	Only the terms of the Master Franchise Agreement, the documents referred to therein and the Manual are binding (subject to state law). Any other oral or written promises related to the subject matter of the Master Franchise Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 26.1(a)(b)	Except for claims subject to certain claims that may be litigated (i.e., those related to termination, confidential/proprietary information, Proprietary Marks, transfer, non-competition obligations, confidentiality obligations, or payment obligations), claims will first be subject to tribal Peacemaking; provided that if tribal Peacemaking is unable to successfully resolve a dispute within 30 days from the commencement of the process, claims will be subject to arbitration.
v. Choice of forum	Section 26.1(c); 26.2(b)	Subject to state law, arbitration will be conducted at a location designated by arbitrator; you can only file suit where our principal offices are located, and we may file suit in the jurisdiction where our principal offices are located, where you reside or do business, where the Development Territory or any Subfranchised Restaurant is or was located or where the claim arose.
w. Choice of law	Section 26.2(a)	Subject to state law, the laws of the Little River Band of Ottawa Indians will apply and where silent, federal law of the United States, without regard to conflicts of laws principles law will apply.

Certain states require franchisors to make additional disclosures related to the information contained in this disclosure document. These disclosures are contained in Exhibit F to this disclosure document.

ITEM 18

PUBLIC FIGURES

As indicated in Item 2, Mark, Donnie and Paul Wahlberg are the sole managers of CTB, DW and NBB, respectively, and promote the sale of our franchises. (CTB, DW and NBB are the managers of WB Holding.) As such, each of the Wahlbergs will receive an indirect financial benefit from fees paid by franchisees to us. None of the Wahlbergs have made any direct investment in us.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alan McKenna, our Chief Legal and Administrative Officer, at 350 Lincoln Street, Suite 2501, Hingham, MA 02043, (781) 749-4972, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

We have not previously offered master franchise rights for Wahlburgers Restaurants. What follows is information about existing Wahlburgers Restaurants.

Table No. 1
Systemwide Outlet Summary
Fiscal Years 2018 to 2020 (1)

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net change
Franchised	2018	16	22	+6
	2019	22	26	+4
	2020	26	44	+18
Company-Owned	2018	3	3	+0
	2019	3	5	+2
	2020	5	5	+0
Total Outlets	2018	19	25	+6
	2019	25	31	+6
	2020	31	51	+20

NOTES

- (1) The numbers for 2018-2020 are as of our fiscal year end (respectively, December 30, 2018, December 29, 2019 and January 3, 2021). Our fiscal year ends on the Sunday closest to December 31. As mentioned in Item 1, the Company-Owned Restaurants identified in this Table 1 are owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than Wahlburgers)
For Years 2018 to 2020 (1)

State	Year	Number of Transfers
Florida	2018	2
	2019	0
	2020	0
Total	2018	2
	2019	0
	2020	0

NOTES

- (1) The numbers for 2018-2020 are as of our fiscal year end (respectively, December 30, 2018, December 29, 2019 and January 3, 2021). Our fiscal year ends on the Sunday closest to December 31.

Table No. 3
Status of Franchised Outlets
For Years 2018 to 2020 (1) (3)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Us	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	1	1
CA	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
CT	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
FL	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	2	1
GA	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
IA	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	5	0	0	0	0	6
IL	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	0
	2020	1	4	0	0	0	1	4
KS	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
MA	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
MI	2018	1	1	0	0	0	0	2
	2019	2	2	0	0	0	0	4
	2020	4	0	0	0	0	2	2
MN	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	10	0	0	0	0	11
MO	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
NE	2018	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Us	Ceased Operations – Other Reasons	Outlets at End of the Year
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
NJ	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
NV	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
NY	2018	2	1	1	0	0	0	2
	2019	2	1	0	0	0	2	1
	2020	1	0	0	0	0	1	0
NC	2018	0	1	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
OH	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
PA	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	1	2
	2020	2	0	0	0	0	0	2
SC	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	1	0	0
	2020	0	0	0	0	0	0	0
WI	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
Total	2018	16	9	0	0	0	3	22
	2019	22	6	0	0	1	1	26
	2020	26	26	1	0	0	7	44 (2)

NOTES

- (1) The numbers for 2018-2020 are as of our fiscal year end (respectively, December 30, 2018, December 29, 2019 and January 3, 2021). Our fiscal year ends on the Sunday closest to December 31. If multiple events occurred affecting a Wahlburgers Restaurant, this table shows the event that occurred last in time.
- (2) Attached as Exhibit G is a list of the addresses and telephone numbers of all franchised Wahlburgers locations and the name of the franchisee for each franchised location as of the end of our 2020 fiscal year.
- (3) No confidentiality agreements were signed with any franchisees that would restrict them from speaking openly with you about their experiences with us. Exhibit G includes a list of

all Wahlburgers franchisees who had a franchised restaurant terminated, canceled or not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement, including in connection with a transfer, during the period December 29, 2019 to January 3, 2021, or failed to communicate with us within 10 weeks of the issuance date of this disclosure document, including one franchised restaurant that had operated less than one year. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. As of the issuance date of this disclosure document, there are no Wahlburgers franchisee organizations.

Table No. 4
Status of Company-Owned Outlets
For Years 2018 to 2020 (1) (2)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees (3)	Outlets at End of Year
MA	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	0	0	3
SC	2018	0	0	0	0	0	0
	2019	0	0	1	0	0	1
	2020	1	0	0	0	0	1
TX	2018	0	0	0	0	0	0
	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	3	0	0	0	0	3
	2019	3	1	1	0	0	5
	2020	5	0	0	0	0	5

NOTES

- (1) The numbers for 2018-2020 are as of our fiscal year end (respectively, December 30, 2018, December 29, 2019 and January 3, 2021). Our fiscal year ends on the Sunday closest to December 31. The restaurants identified in this Table 4 are owned and operated by our affiliates.
- (2) If multiple events occurred affecting a Wahlburgers Restaurant, this table shows the event that occurred last in time.

Table No. 5.A.
Projected Master Franchise Openings as of January 3, 2021

State	Master Franchise Agreements Signed but Outlet Not Opened	Projected New Master Franchised Businesses in Next Fiscal Year	Projected New Company-Owned Businesses in Next Fiscal Year
United States	0	1	0
Total	0	1	0

Table No. 5.B.
Projected Restaurant Openings as of January 3, 2021

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in Next Fiscal Year
CA	0	2	0
HI	1	1	0
IL	0	3	0
IN	0	1	0
IA	0	14	0
KS	0	3	0
MA	0	1	0
MI	0	1	0
MN	0	2	0
MO	0	5	0
NB	0	10	0
SD	0	2	0
TN	0	1	0
WA	0	1	0
WI	0	3	0
Total	1	50	0

ITEM 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit E are our audited financial statements for the fiscal years ending December 30, 2018, December 29, 2019 and January 3, 2021 and unaudited financial statements for the period January 4, 2021 through June 30, 2021.

ITEM 22

CONTRACTS

The following agreements related to a Franchised Restaurant are attached as exhibits to this disclosure document:

Exhibit C Master Franchise Agreement

Exhibit D Confidentiality Agreement

ITEM 23

RECEIPTS

The last two pages of this disclosure document are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document and return one copy to us.

EXHIBIT A
LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California:

Department of Financial Innovation and Protection
1-866-275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard,
Sacramento, CA 95834
(916) 445-7205

San Diego

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco

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

Hawaii:

Department of Commerce and Consumer Affairs
Business Registration Division
P.O. Box 40
335 Merchant Street
Room 203
Honolulu, Hawaii 96810
(808) 586-2744

Illinois:

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

Indiana:

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

Maryland:

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

Michigan:

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

Minnesota:

MN Department of Commerce
Securities Unit
85 7th Place East, Suite 280
Saint Paul, MN 55101
(651) 539-1500

New York:

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street
New York, NY 10005
(212) 416-8222

North Dakota:

North Dakota Securities Department
600 Boulevard Avenue, State Capitol
Fifth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon:

Division of Consumer and Business
Services
Finance & Corporate Securities
350 Winter Street, NE
Labor and Industries Building, Rm 21
Salem, OR 97301-3881
(503) 378-4100

Rhode Island:

Securities Division
Department of Business
Regulation
1511 Pontiac Avenue
John O. Pastore Complex-Bldg.
69
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota:

Department of Labor & Regulations
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia:

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

Washington:

Department of Financial Institutions
Securities Division
150 Israel Road, S
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Wisconsin:

Division of Securities
Department of Financial
Institutions
345 W. Washington Avenue
Madison, WI 53703
(608) 266-2801

EXHIBIT B

LIST OF AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California:

California Commissioner of the Department
of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Hawaii:

Commissioner of Securities
Dep't of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois:

Illinois Attorney General
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana:

Franchise Section
Indiana Securities Division
Secretary of State
302 W. Washington Street
Room E-111
Indianapolis, IN 46204

Maryland:

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

Massachusetts:

Alan McKenna
350 Lincoln Street, Suite 2400
Hingham, MA 02043

Michigan:

Michigan Department of Commerce
Corporations and Securities Bureau
525 W. Allegan Street
Lansing, MI 48913

Minnesota:

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
Saint Paul, MN 55101

New York:

Attn: New York Secretary of State
New York Department of State
The Division of Corporations
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001

Rhode Island:

Director of Rhode Island Department of
Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

South Dakota:

Department of Labor and Regulations
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

Virginia:

Clerk
State Corporation Commission
1300 E. Main Street
Richmond, VA 23219

Washington:

Director of Dept. of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, Washington 98501

Wisconsin:

Administrator, Division of Securities
Department of Financial Institutions
345 W. Washington Avenue, Fourth Floor
Madison, WI 53703

EXHIBIT C
MASTER FRANCHISE AGREEMENT

**WAHLBURGERS MASTER FRANCHISE AGREEMENT
FOR TRIBAL CASINO LOCATIONS**

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Appendix A Table of Defined Terms

Appendix B Development Information

Exhibit 1 Guarantee

Exhibit 2 Form of Subfranchise Agreement

WAHLBURGERS MASTER FRANCHISE AGREEMENT FOR TRIBAL CASINO LOCATIONS

THIS AGREEMENT is made as of _____ by and between Wahlburgers Franchising LLC ("Wahlburgers"), a limited liability company formed under the laws of the Commonwealth of Massachusetts with its principal offices at 350 Lincoln Street, Suite 2501, Hingham, MA 02043, United States of America, and Little River Holdings, LLC ("Master Franchisee"), a company formed under tribal laws with its principal offices at _____.

RECITALS

As the result of the expenditure of time, skill, effort and money, Wahlburgers and its Affiliates have developed, continue to develop and own the Wahlburgers System. Wahlburgers and its Affiliates and franchisees have established a consumer demand and reputation for high quality food and beverage products and services at Wahlburgers Restaurants.

Master Franchisee desires to obtain from Wahlburgers the right to: (1) license Subfranchisees to develop, open and operate Subfranchised Restaurants in the Development Territory; and (2) support the Subfranchised Restaurants in the Development Territory. Wahlburgers is willing to grant these rights to Master Franchisee subject to the terms, conditions and limitations described in this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. PURPOSE AND DEFINED TERMS

1.1 Purpose. The purpose of this Agreement is to: (a) set out the terms and conditions on which Master Franchisee is to be granted the right to license Subfranchisees to develop, open and operate Subfranchised Restaurants in the Development Territory using the Proprietary Marks, Confidential/Proprietary Information and the Wahlburgers System and the duration of those rights; (b) set out Master Franchisee's payment and other obligations to Wahlburgers; (c) enable Wahlburgers to exercise control over Master Franchisee's use of the Proprietary Marks, Confidential/Proprietary Information and the Wahlburgers System in order to protect their value and integrity and to ensure a consistent customer experience in all Wahlburgers Restaurants in the Development Territory; and (d) describe the general structure of the business relationship between Wahlburgers and Master Franchisee during the Agreement Term and following the termination or expiration of the Agreement Term.

1.2 Defined Terms. Capitalized or defined terms will – wherever they appear in this Agreement – have the meanings given to them in the Table of Defined Terms attached as Appendix A.

2. GRANT OF RIGHTS

2.1 Grant of Rights. Subject to the terms and conditions of this Agreement, Wahlburgers grants Master Franchisee the following rights, and Master Franchisee accepts the following obligations: (a) during the Development Term, to grant Subfranchisees the right to develop, open and operate Subfranchised Restaurants at Authorized Sites in the Development Territory; and (b) during the Agreement Term, to maintain Master Franchisee's entire right, title and interest, and all liabilities and obligations, as the subfranchisor of the Wahlburgers System in the

Development Territory pursuant to each Subfranchise Agreement (subject to the terms of this Agreement and the rights granted to Wahlburgers under the Subfranchise Agreement).

2.2 Authorized Sites and Restaurant Formats.

(a) Authorized Sites. Master Franchisee understands, acknowledges and agrees that Authorized Sites will be limited to sites located within Casinos (without limitation to the other terms and conditions imposed by Wahlburgers) and that proposed sites located outside of Casinos are expressly not authorized and outside of the limited rights granted to Master Franchisee under this Agreement.

(b) Restaurant Formats. The Parties acknowledge that Subfranchised Restaurants to be developed by Subfranchisees pursuant to this Agreement are intended to be full service format restaurants. Notwithstanding the foregoing, if Master Franchisee believes that particular Subfranchised Restaurant(s) would be better suited to operate as a smaller, counter-service style format restaurant(s), Master Franchisee may submit to Wahlburgers a Site Acceptance Request (subject to the procedures specified in Section 10) for each proposed site requesting approval to grant a subfranchise for that alternative format. Wahlburgers may withhold its approval if it determines, in its commercially reasonable discretion, that the alternative format would not be in the best interests of the Wahlburgers System or the Wahlburgers brand.

2.3 Limitation on Rights Granted.

(a) Subfranchise Rights Only. This Agreement is not a franchise agreement or a subfranchise agreement and does not grant Master Franchisee any right to operate any business including, without limitation, any Wahlburgers Restaurant. This Agreement only gives Master Franchisee the opportunity to enter into Subfranchise Agreements with Subfranchisees granting the respective Subfranchisee the right to develop, open and operate a Subfranchised Restaurant at an Authorized Site in the Development Territory. Each Subfranchised Restaurant developed pursuant to this Agreement will be opened and operated only in Full Compliance with a separate Subfranchise Agreement, regardless of whether the Subfranchisee or the Subfranchised Restaurant is owned in whole or in part by Master Franchisee or an Unaffiliated Subfranchisee.

(b) Wahlburgers System Only. The rights granted to Master Franchisee under this Agreement relate exclusively to the Wahlburgers System. Master Franchisee has not obtained any right to any business system or concept of Wahlburgers or its Affiliates other than the Wahlburgers System.

(c) Rights Reserved to Wahlburgers. All rights that Wahlburgers does not specifically and expressly grant to Master Franchisee in this Agreement are reserved to Wahlburgers.

(i) Without limiting the generality of the foregoing, Wahlburgers reserves to itself all, and does not grant to Master Franchisee, any rights to take, or license any Third Party to take, the following actions in the Development Territory during or after the Development Term: **(A)** develop, open and operate Wahlburgers Restaurants at any location other than in a Casino; **(B)** develop, open and operate any restaurants, other than Wahlburgers Restaurants, at any location; **(C)** grant local, regional, national or international licenses to any Third Party to sell products under the Proprietary Marks in foodservice facilities primarily identified by the trademark of a Third Party; **(D)** merchandise or distribute products identified by the Proprietary Marks (including Branded Merchandise) through any method or channel of distribution other than Wahlburgers Restaurants, including, without limitation, by means of electronic commerce, any

Website and through supermarkets or other retail facilities; **(E)** develop, open and operate any other business under any system other than the Wahlburgers System; **(F)** develop and own other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and/or **(G)** purchase, being purchased by, merge or combine with, businesses that directly compete with Wahlburgers Restaurants.

(ii) Nothing in this Agreement has the effect of prohibiting Wahlburgers or its Affiliates from developing, opening and/or operating, and/or licensing any Third Party to develop, open and operate: **(A)** Wahlburgers Restaurants at any location outside of the Development Territory during and after the Development Term; **(B)** Wahlburgers Restaurants at any location within the Development Territory that is not in a Casino during and/or after the Development Term; **(C)** Wahlburgers Restaurants at any location in the Development Territory after the Development Term is terminated or expires; and **(D)** any other business under any system other than the Wahlburgers System at any location in or outside the Development Territory during or after the Development Term.

(d) Limited Exclusivity. Subject to Section 2.3(c), so long as Master Franchisee is in Full Compliance, Wahlburgers will not develop, open or operate, or license any Third Party to develop, open or operate, any Wahlburgers Restaurant in a Casino in the Development Territory during the Development Term. Wahlburgers will have the right to modify or terminate Master Franchisee's limited exclusive rights in the Development Territory in accordance with Section 18.1 as an alternative to terminating the Development Term pursuant to that Section.

2.4 Forms of Agreement. Master Franchisee acknowledges that, over time, Wahlburgers has entered into, and will continue to enter into, development agreements, license agreements, franchise agreements, master franchise agreements and other franchise-related agreements with Third Parties that may differ in whole or in part from this Agreement and that may or may not relate to the Wahlburgers System. The existence of different forms of agreements and the fact that Wahlburgers and Third Parties may have different rights and obligations from those created under this Agreement do not affect the duty of the Parties to comply with this Agreement.

2.5 Full Compliance with Development Schedule. With regard to Master Franchisee's obligations under this Agreement, **TIME IS OF THE ESSENCE**. All rights granted to Master Franchisee under this Agreement are subject to Master Franchisee's Full Compliance with the Development Schedule (including any Opening Date). Wahlburgers may terminate the Development Term in accordance with Section 18.1 if Master Franchisee fails at any time to meet any Opening Date or fails to have open and operating the minimum cumulative number of Wahlburgers Restaurants required by the Development Schedule.

2.6 Additional Development Territory Option. Wahlburgers hereby agrees to grant Master Franchisee the exclusive option, without the payment of any additional or separate Development Fee, to expand the Development Territory into tribally owned/controlled locations in one or more Canadian Provinces during the Development Term, subject to the following terms and conditions: **(a)** Master Franchisee must be in Full Compliance with this Agreement and all Related Agreements; **(b)** if required under applicable Canadian law, Wahlburgers will furnish Master Franchisee with a presale disclosure document; and **(c)** Master Franchisee will sign all documents as Wahlburgers determines necessary in its sole discretion in order to exercise this option (which may take the form of an amendment to this Agreement, a side letter agreement or an entirely separate master franchise agreement on the same general terms and conditions as this Agreement, subject to changes required by Canadian law).

3. TERM

3.1 Agreement Term. The Agreement Term begins on the Effective Date and, unless earlier terminated, ends on the date on which the last Subfranchise Agreement for a Subfranchised Restaurant developed under this Agreement expires or earlier terminates (or Wahlburgers' assumption of some or all of the Subfranchise Agreements).

3.2 Development Term. The Development Term begins on the Effective Date and, unless this Agreement and/or the Development Term is earlier terminated, expires at the end of the Initial Development Term.

4. FEES

4.1 Development Fee. On or before the date that Master Franchisee signs this Agreement, Master Franchisee will pay Wahlburgers the Development Fee. ***THE DEVELOPMENT FEE IS FULLY EARNED WHEN PAID, NOT REFUNDABLE, AND IS NOT CREDITED AGAINST ANY OTHER FEES PAID TO WAHLBURGERS EXCEPT FOR THE \$100,000.00 DEPOSIT PAID BY MASTER FRANCHISEE PRIOR TO THE EXECUTION OF THIS AGREEMENT.***

4.2 Various Fees. For each Subfranchised Restaurant, Master Franchisee will timely pay Wahlburgers the fees stated in Appendix B.

4.3 Sales Reports. By 5:00 p.m. on the day after the end of each Fiscal Period, Master Franchisee must submit to Wahlburgers, in writing, by email, polling by computer or such other form or method as Wahlburgers may designate, the amount of Gross Sales of each Subfranchised Restaurant during the preceding Fiscal Period and any other data or information as Wahlburgers may require.

4.4 Payment of Fees. Master Franchisee must participate in Wahlburgers' electronic funds transfer program, which authorizes Wahlburgers to use a pre-authorized bank draft system. Master Franchisee agrees to sign and complete such documents as Wahlburgers may require from time to time to authorize and direct Master Franchisee's bank or financial institution to pay and deposit directly to Wahlburgers' account. All amounts owed under this Agreement, including any interest charges, must be received by Wahlburgers or credited to Wahlburgers' account by pre-authorized bank debit before 5:00 p.m. on the 10th day after the end of each Fiscal Period or at a later point periodically specified by Wahlburgers ("Due Date"). Master Franchisee must furnish to Wahlburgers and Master Franchisee's bank all authorizations necessary to effect payment by the methods Wahlburgers specifies. Wahlburgers reserves the right to modify, at its option, the method by which Master Franchisee must pay amounts owed under this Agreement upon receipt of written notice from Wahlburgers.

4.5 Interest and Late Fee. If any payments by Master Franchisee due to Wahlburgers are not received in full by the Due Date, in addition to paying the amount owed, Master Franchisee must pay to Wahlburgers interest on the amount owed from the Due Date until paid at the rate of 1.5% per Fiscal Period or a portion of a Fiscal Period, unless the maximum rate permitted for indebtedness of this nature in the state where Master Franchisee is located is lower, in which case the latter will apply. In addition, a late fee of \$100 may be assessed at Wahlburgers' discretion on all payments by Master Franchisee due to Wahlburgers and not received by Wahlburgers by the Due Date. Payment of a late fee and/or interest by Master Franchisee on past due obligations is in addition to all other remedies and rights available to Wahlburgers pursuant to this Agreement or under applicable law.

4.6 Partial Payments. No payment by Master Franchisee of a lesser amount than due will be treated as anything other than a partial payment on account, regardless of whether Master Franchisee includes an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment. Wahlburgers has sole discretion to apply any payments by Master Franchisee to any past due indebtedness and Wahlburgers has the right to accept payment from any other entity as payment by Master Franchisee without that entity being substituted for Master Franchisee.

4.7 Collection Costs and Expenses. Master Franchisee agrees to pay Wahlburgers on demand any and all costs and expenses Wahlburgers incurs in enforcing the terms of this Agreement and/or any Related Agreement, including, without limitation, in collecting any monies owed by Master Franchisee or Master Franchisee Affiliates to Wahlburgers or Wahlburgers Affiliates, costs and commissions due a collection agency, attorneys' fees (including attorneys' fees for in-house counsel employed by Wahlburgers), costs incurred in creating or replicating reports demonstrating Gross Sales of the Subfranchised Restaurants, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

4.8 No Right of Offset. All amounts payable to Wahlburgers or Wahlburgers Affiliates under this Agreement or any Related Agreement will: **(a)** be paid, in addition to, and not by way of limitation of, all other charges, royalties, fees or amounts assessed against or owed by Master Franchisee or any Master Franchisee Affiliate or payable to Wahlburgers or any Wahlburgers Affiliate in relation to this Agreement or any Related Agreement; **(b)** not be credited or creditable against any other amounts; **(c)** be deemed earned by Wahlburgers when paid; and **(d)** not be subject to refund or return, unless otherwise specifically provided in this Agreement.

4.9 Taxes. Master Franchisee must promptly pay when due all taxes levied or assessed (including, without limitation, unemployment and sales taxes) and all accounts and other indebtedness of every kind incurred by Master Franchisee in the conduct of its master franchise business operated under this Agreement. If any taxes, fees or assessments are imposed on Wahlburgers by reason of its acting as franchisor or licensing the Proprietary Marks, Master Franchisee must reimburse Wahlburgers the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from Wahlburgers. In the event of any bona fide dispute as to Master Franchisee's liability for taxes assessed or other indebtedness, Master Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will Master Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Training Facility or any other facility used by Master Franchisee in connection with this Agreement.

5. RECORDS, REPORTS AND AUDITS

5.1 Records. Master Franchisee will remain in Full Compliance with the recordkeeping standards and specifications, as well as the accounting principles, that Wahlburgers may periodically establish in the Manual or otherwise and will: **(a)** keep and maintain truthful, complete, accurate and up-to-date books and records relating to licensing Subfranchisees to develop, open and operate Subfranchised Restaurants in the Development Territory, including, without limitation, any reports regarding prospective Subfranchisees, Site Acceptance Requests, Site Acceptances, financial records, and any other information as Wahlburgers may specify periodically; **(b)** ensure that all recordkeeping conforms to the recordkeeping and accounting requirements stated in the Manual; **(c)** preserve all books and records for at least 7 years after preparation; and **(d)** within 10 days after any written request by Wahlburgers, make available to Wahlburgers, and provide

duplicate copies to Wahlburgers, such books and records, as Wahlburgers may periodically request.

5.2 Reports. Master Franchisee will submit to Wahlburgers, for review or auditing, those forms, reports, records, information and data as Wahlburgers may reasonably designate. Master Franchisee will ensure that each report is prepared and submitted at Master Franchisee's sole expense using such forms as Wahlburgers may periodically require.

5.3 Audit Rights. Wahlburgers and its designees will have the right at all reasonable times, both during and after the Agreement Term, to inspect, copy and audit Master Franchisee's books and records and such other forms, reports, information and data as Wahlburgers reasonably may designate, that are applicable to Master Franchisee's obligations under this Agreement.

If any inspection or audit discloses that any payment to Wahlburgers has been understated, Master Franchisee will pay Wahlburgers, within 10 days after receipt of notice of the results of the inspection or audit report, the difference between the payment actually due to Wahlburgers and the amount paid to Wahlburgers, plus interest on the difference (calculated in accordance with Section 4.5) from the date that such amount was originally due until the date that such amount is paid to Wahlburgers in full. If an inspection or audit is made necessary by Master Franchisee's failure to provide reports or supporting records as required under this Agreement or the inspection or audit shows that any payment made to Wahlburgers for the period of any audit was 5% less than the amount actually owed to Wahlburgers, Master Franchisee also will reimburse Wahlburgers for the reasonable amount or cost incurred by or on behalf of Wahlburgers in connection with the inspection or audit (including, without limitation, the fees and expenses of attorneys and independent accountants and the travel expenses, room and board and compensation for the employees or designees of Wahlburgers involved in the audit or inspection). The foregoing remedies will be in addition to all other remedies and rights available to Wahlburgers under this Agreement or applicable law.

5.4 Right to Prepare Reports. If Master Franchisee fails to provide Wahlburgers on a timely basis the records, reports and other information required by this Agreement or, upon request of Wahlburgers, copies of same, in addition to constituting a Default, Wahlburgers and its designees will have access at all reasonable times (and as often as necessary) to Master Franchisee's books and records for the purpose of, among other things, preparing the required records, reports and other information. Master Franchisee promptly will reimburse Wahlburgers and its designees for all costs, including any attorneys' fees, expenses and liabilities associated with Wahlburgers preparing or obtaining such records, reports or other information.

5.5 Ownership of Data. Master Franchisee agrees that all data that it collects from its Subfranchisees, prospective Subfranchisees, customers or others in connection with the Subfranchised Restaurants, including customer lists, is deemed to be owned by Wahlburgers. Master Franchisee has the right to use the customer data while this Agreement is in effect, but only in accordance with any privacy policy that Wahlburgers may establish from time to time.

6. THE WAHLBURGERS SYSTEM

6.1 Manual and Plans and Specs.

(a) Generally. Wahlburgers will loan Master Franchisee 1 copy of the Plans and Specs and provide electronic access to the Manual. Master Franchisee will at all times keep its copy of the Manual current and up-to-date with all updates and will purchase any equipment and related services as Wahlburgers may periodically determine to be necessary or desirable for Master Franchisee to receive, use, store or retrieve the Manual. Wahlburgers may deliver the updates to the Manual in any manner or medium that Wahlburgers may periodically determine is appropriate. Notwithstanding the foregoing, no update to the Manual may directly contravene an express term of this Agreement, and, in the event of a direct conflict between the update and the terms of this Agreement, the terms of this Agreement will control. The Manual, the Plans and Specs and all copyrights to the Manual and the Plans and Specs are the sole property of Wahlburgers, notwithstanding any assistance by Master Franchisee in modifying and/or translating them.

Master Franchisee will loan each Subfranchisee 1 copy of the Plans and Specs and provide electronic access to, the Manual. Master Franchisee will maintain a record of the Subfranchisees to whom Master Franchisee has loaned a copy of the Manual and the Plans and Specs, which will include, without limitation, the name of the Subfranchisee and the date on which each Subfranchisee received the Manual and the Plans and Specs.

(b) Use of the Manual. Master Franchisee must require Subfranchisees to develop and operate the Subfranchised Restaurants in Full Compliance with the Manual. In addition, Master Franchisee will treat the Manual as Confidential/Proprietary Information. Accordingly, Master Franchisee will not reproduce the Manual in whole or in part and may disclose the contents of the Manual only to those employees of Master Franchisee who have a need to know and to Subfranchisees.

6.2 Modifications to the Wahlburgers System.

(a) By Wahlburgers. Wahlburgers may periodically change or modify all or any aspect of the Wahlburgers System. Wahlburgers will provide Master Franchisee 7 days' notice of such modification, provided that, with respect to a modification to address an immediate threat to public health and safety, prior notice by Wahlburgers is not required. Notwithstanding the foregoing, no modification to the Wahlburgers System by Wahlburgers may directly contravene an express term of this Agreement, and, in the event of a direct conflict between the modification and the terms of this Agreement, the terms of this Agreement will control. If Wahlburgers changes or modifies the Wahlburgers System, Master Franchisee will accept those changes or modifications as if they were a part of the Wahlburgers System at the time this Agreement was executed. Master Franchisee will make, with respect to its obligations under this Agreement and any Related Agreement, and direct each Subfranchisee to make with respect to its operation of a Subfranchised Restaurant, such expenditures as any changes or modifications to the Wahlburgers System may require.

(b) By Master Franchisee.

(i) Recommendations. Master Franchisee may periodically make further recommendations for changes to the Wahlburgers System. The implementation of any such recommendations will be subject to the approval of Wahlburgers, which may be granted or withheld in Wahlburgers' discretion. Master Franchisee agrees that, at all times, all such

recommendations, whether or not approved, will be the exclusive property of Wahlburgers, will be Confidential/Proprietary Information and may, in the discretion of Wahlburgers, be incorporated into the Wahlburgers System or used, licensed or transferred for the benefit of Third Parties without any payment to or permission of Master Franchisee, whose only rights or interests in and to any such recommendation will derive exclusively from this Agreement. Master Franchisee waives all moral rights it may have (if any) under applicable law to be identified as the author of any such modifications.

(ii) **Developments**. Master Franchisee will not seek to develop, nor will

Master Franchisee use, implement or conduct any test or study regarding, any new, changed or localized concept, process, improvement or materials (including new menu items or ingredients) relating to any aspect of the Wahlburgers System without Wahlburgers' prior written approval. If Master Franchisee does so, whether or not with the approval of Wahlburgers, Master Franchisee, at Master Franchisee's sole expense, will promptly: **(A)** provide Wahlburgers with all information regarding such concept, process, improvement or materials, all of which information at all times will be the exclusive property of Wahlburgers and may be incorporated into the System without any payment to you; **(B)** take all actions that Wahlburgers requests to perfect exclusive ownership of such concept, process, improvement or materials in Wahlburgers; and **(C)** use best efforts to cause its officers, employees and contractors to execute all documents requested by Wahlburgers to enable Wahlburgers to use and otherwise deal with such concept, process, improvement or materials as Wahlburgers determines in its sole discretion without infringing the rights of any Person.

7. INSPECTIONS

To determine whether Master Franchisee and each Subfranchised Restaurant are in Full Compliance with this Agreement and the Wahlburgers System, Wahlburgers or its designee has the right, but not the obligation, at any reasonable time without notice to Master Franchisee and whether or not Master Franchisee is present (at its cost) to: **(a)** enter on the premises of any Wahlburgers Restaurant; **(b)** inspect that Wahlburgers Restaurant; **(c)** observe, photograph and videotape the operations of that Wahlburgers Restaurant for such consecutive or intermittent periods as deemed necessary (subject to applicable privacy laws); **(d)** remove samples of any food or beverage product, material or other products from that Wahlburgers Restaurant for testing and analysis (without paying for samples); **(e)** interview personnel and customers of that Wahlburgers Restaurant; **(f)** inspect and copy any books, records and documents relating to this Agreement or, upon the request of Wahlburgers or its designee, require Master Franchisee to send copies thereof to Wahlburgers or its designee; and **(g)** remove any marketing materials or samples of marketing materials (without paying for such materials or samples).

Master Franchisee agrees to cooperate fully (or to direct Subfranchisees to cooperate fully) with Wahlburgers or its designee, in connection with any such inspection, observation, videotaping, removal or interview and, if the review was undertaken at Master Franchisee's request, reimburse Wahlburgers for all reasonable costs and expenses incurred in connection with those reviews at each Subfranchised Restaurant. Master Franchisee must pay such amounts to Wahlburgers within 10 days after receipt of an invoice from Wahlburgers.

Master Franchisee will take all necessary steps to immediately correct any deficiencies detected during these inspections, including without limitation ceasing further sale of unauthorized menu items and ceasing further use of any equipment, food or beverage items, ingredients, merchandise, marketing materials or supplies that do not conform with the standards and requirements promulgated by Wahlburgers periodically.

8. BRAND FUND AND MARKETING

8.1 Brand Fund.

(a) Wahlburgers has established the Brand Fund to which Subfranchisees must contribute in the amount set forth in Appendix B. Wahlburgers has the right to direct all programs supported by the Brand Fund, with final discretion over creative concepts, the materials and media used in the programs and their placement. Wahlburgers does not guarantee that Master Franchisee or any of its Subfranchisees will benefit from the Brand Fund in proportion to Master Franchisee's contributions to the Brand Fund. Master Franchisee agrees to participate, and to require its Subfranchisees to participate, in all advertising, marketing, promotions, research, public relations and other programs instituted by the Brand Fund.

(b) Wahlburgers will not use any contributions to the Brand Fund to defray any of its general operating expenses, except for reasonable administrative costs and overhead that Wahlburgers incurs in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including salaries of Wahlburgers personnel who devote time to Brand Fund activities). Wahlburgers will separately account for the Brand Fund, but it does not need to segregate Brand Fund monies from its monies.

(c) Any point-of-sale materials produced with Brand Fund monies will be made available to Master Franchisee and Subfranchisees at a reasonable cost, and the proceeds of such sales will be credited to the Brand Fund. Wahlburgers is not required to have an independent audit of the Brand Fund completed. Wahlburgers may spend in any fiscal year an amount greater or less than the aggregate contribution of all Wahlburgers Restaurants to the Brand Fund during that year or cause the Brand Fund to invest any surplus for its future use or distribute any surplus to then-current franchisees who contributed to the Brand Fund and restaurants operated by Wahlburgers or its affiliates. (The Brand Fund will reimburse Wahlburgers for any monies advanced by Wahlburgers.) Wahlburgers will make available an unaudited statement of contributions and expenditures for the Brand Fund no sooner than 90 days after the close of its fiscal year to its unit franchisees and master franchisees who make a written request for a copy.

8.2 Local Marketing. Master Franchisee will, at all times throughout the Agreement Term, use its best efforts to advance the reputation of Wahlburgers Restaurants and the products sold under the Proprietary Marks and to develop awareness of Wahlburgers Restaurants among consumers in order to increase the goodwill of the Proprietary Marks and the System. Prior to use, Master Franchisee must submit all advertising materials to Wahlburgers for its approval, which approval will not be unreasonably withheld.

9. TRAINING

9.1 By Wahlburgers.

(a) Management Training for Master Franchisee. Prior to the opening of the first Subfranchised Restaurant developed under this Agreement, the number of Trainers specified by Wahlburgers will attend, and successfully complete (as determined by Wahlburgers in its sole discretion), the Wahlburgers initial training program at such location(s) as Wahlburgers may determine periodically. At all times, Master Franchisee will employ the number of Trainers who have successfully completed the Wahlburgers initial training program, as specified by Wahlburgers. The initial training must be completed before any Trainer provides training to Master Franchisee's employees, Subfranchisees or any other Person and before any Subfranchised Restaurant opens. Upon Wahlburgers' request, as a prerequisite to the initial training program, Master Franchisee's

Trainers must successfully complete (as determined by Wahlburgers in its sole discretion), at Master Franchisee's cost, a ServSafe food safety training and certification program administered by the National Restaurant Association Educational Foundation. Wahlburgers has the right to dismiss from the initial training program any person whom it believes will not perform acceptably in the position for which he/she has been hired, and Master Franchisee must provide a suitable replacement within 30 days of dismissal. Additional employees who desire to attend the initial training program may do so, subject to space availability and Master Franchisee's payment of a training fee as determined by Wahlburgers. If Master Franchisee or its Trainers fail to complete the initial training program to Wahlburgers' satisfaction, Wahlburgers may terminate this Agreement or permit Master Franchisee or its Trainers to repeat the initial training program at the next available scheduled training session. Wahlburgers may charge a fee as it determines if Master Franchisee or Master Franchisee's Trainers are required to repeat the initial training program.

(b) Additional Training. Wahlburgers may periodically require that Master Franchisee, any Trainer or any employee of Master Franchisee or a Subfranchisee whom Wahlburgers may designate periodically take and successfully complete (as determined by Wahlburgers in its sole discretion), at the times and locations that Wahlburgers designates, training other than the Wahlburgers initial training program. Wahlburgers reserves the right to require Master Franchisee or a Subfranchisee to pay tuition for any such additional training in amounts determined by Wahlburgers periodically.

9.2 Training by Master Franchisee and Certification of Master Franchisee's Training Facility. Master Franchisee will conduct such initial and continuing training programs for its employees and for Subfranchisees and Subfranchisees' employees as Wahlburgers may require periodically. Master Franchisee will promptly designate a Training Facility (which may be a Subfranchised Restaurant) in the Development Territory at which the Wahlburgers initial training program will be offered. Wahlburgers, in its sole discretion, will provide the assistance that Wahlburgers believes to be reasonably necessary to assist Master Franchisee in establishing the Training Facility. The Training Facility must be certified by Wahlburgers before Master Franchisee commences any training at the Training Facility, and Wahlburgers may periodically visit and evaluate the Training Facility and the Trainers to ensure that they continue to meet Wahlburgers' standards. Wahlburgers may revoke its certification of the Training Facility if the Training Facility or the Trainers cease to meet Wahlburgers' standards, as set forth in the Manual. Before Wahlburgers enforces any new or modified standard related to the Training Facility, Wahlburgers will provide Master Franchisee 14 days' written notice of the addition or modification. Following certification by Wahlburgers, Master Franchisee will train all Persons who must complete the initial training program (other than those Persons trained or to be trained by Wahlburgers pursuant to Section 9.1) at the Training Facility unless Wahlburgers otherwise advises Master Franchisee or Wahlburgers' certification of the Training Facility is revoked.

9.3 Training for Subfranchised Restaurants. Before any Subfranchisee may open a Subfranchised Restaurant, up to 4 Restaurant Manager candidates for the respective Subfranchised Restaurant will attend, and successfully complete, the initial Wahlburgers restaurant management training provided by Master Franchisee at the Training Facility.

9.4 Tuition and Expenses. Except for the initial Trainers who receive the Wahlburgers management training program, Wahlburgers reserves the right to require Master Franchisee to pay a training fee for each Person who participates in any training conducted by Wahlburgers (regardless of whether such training is mandatory, voluntary or conducted at Master Franchisee's request). Such tuition will be payable in amounts determined by Wahlburgers periodically in advance of the relevant training and will be refundable, if at all, only on terms and conditions as Wahlburgers may periodically determine. Master Franchisee will be responsible for all costs,

expenses and liabilities related to participation of Master Franchisee's employees in any training under this Agreement. Such costs, expenses and liabilities will include, but not be limited to, all travel, living, food, insurance and other expenses reasonably incurred by Master Franchisee or its employees in connection with any training under this Agreement.

9.5 Training Materials and Methods. All training materials that Wahlburgers provides to Master Franchisee remain Wahlburgers' property. Wahlburgers has the right to provide training programs in person, on DVD, via the Internet and/or an Intranet, in printed or other electronic format or by other means, as it determines.

10. DEVELOPMENT AND LICENSING PROCEDURES

10.1 Mechanics of Site Acceptance

(a) Master Franchisee will be responsible, at its sole cost and expense, for conducting an initial review and analysis of each site at which a Subfranchisee desires to develop a Wahlburgers Restaurant under this Agreement and for submitting to Wahlburgers a Site Acceptance Request (containing such information and documentation as Wahlburgers periodically may require) for each such site.

(b) After Master Franchisee has submitted a Site Acceptance Request, Wahlburgers may, but is not required to, conduct on-site evaluations of the proposed sites and, if Wahlburgers conducts such evaluations, Wahlburgers will require Master Franchisee to pay Wahlburgers' expenses. If Wahlburgers through any of its representatives offers a favorable preliminary response to a Site Acceptance Request, but does not ultimately grant Site Acceptance, that preliminary response will not constitute, or be interpreted as, Site Acceptance upon which Master Franchisee may rely.

(c) Within 30 days after Wahlburgers receives a Site Acceptance Request, which has been completed in its entirety (as determined by Wahlburgers in its sole discretion), Wahlburgers will advise Master Franchisee by email or in writing whether Wahlburgers has granted Site Acceptance for the proposed site. If Wahlburgers does not grant Site Acceptance within 30 days after Wahlburgers receives the Site Acceptance Request, Wahlburgers will be deemed to have denied the Site Acceptance Request.

(d) After Wahlburgers has granted Site Acceptance for a Subfranchised Restaurant, if not previously executed, Master Franchisee will forward 3 originals of the then-current Subfranchise Agreement to Subfranchisee. Subfranchisee will execute and return the 3 originals and pay all fees to Master Franchisee as required by the Subfranchise Agreement. Within 10 days after receipt of the originals, Master Franchisee will execute the Subfranchise Agreement and forward 1 fully-executed original of the Subfranchise Agreement to Wahlburgers and pay Wahlburgers all required fees, regardless of whether Master Franchisee has collected the Initial Subfranchise Fee from the applicable Subfranchisee.

10.2 Site Acceptance Is Not a Representation or Promise of Success. Wahlburgers' grant of Site Acceptance for 1 or more sites is not a representation or promise by Wahlburgers, any Wahlburgers Affiliate or Related Person of Wahlburgers that a Wahlburgers Restaurant at the Authorized Site will achieve a certain sales volume or a certain level of profitability or that a Wahlburgers Restaurant at an Authorized Site will have a higher sales volume or be more profitable than a site which Wahlburgers did not accept.

10.3 Master Franchisee's Liability.

(a) As between Wahlburgers and Master Franchisee, Master Franchisee assumes all cost, liability and expense for selecting, obtaining and developing sites for Wahlburgers Restaurants, preparing Site Acceptance Requests and securing Site Acceptances in the Development Territory. Master Franchisee will not make, or permit any Subfranchisee to make, any binding commitments with respect to obtaining, purchasing or leasing a proposed site until a Site Acceptance has been issued for that site. Wahlburgers will not be liable to Master Franchisee, any Subfranchisee or any Third Party for any site selection, real estate, development or other assistance or consultation that Wahlburgers may provide to Master Franchisee under this Agreement or any Related Agreement.

(b) Wahlburgers makes no representation or warranty regarding the requirements of any applicable laws, ordinances and/or regulations that may be applicable to Master Franchisee, Subfranchisee and/or Subfranchised Restaurants. Compliance with all applicable laws, ordinances and regulations is solely Master Franchisee's obligation (and the obligation of Subfranchisees), and Wahlburgers will have no liability with respect to compliance by Master Franchisee or any Subfranchisee with any applicable laws, ordinances and/or regulations.

10.4 Subfranchise Agreements. Each Subfranchised Restaurant that Master Franchisee authorizes a Subfranchisee to develop, open and operate may only be developed, opened and operated pursuant to a Subfranchise Agreement. Master Franchisee may not execute any Subfranchise Agreement unless the following conditions have been met: **(a)** Master Franchisee, Affiliated Subfranchisees and each of their Affiliates are current on all monetary obligations owed to Wahlburgers; **(b)** the proposed Subfranchisee and its Affiliates are current on all monetary obligations owed to Master Franchisee; **(c)** Master Franchisee, Affiliated Subfranchisees and each of their Affiliates are not in Default of this Agreement or any Related Agreement; **(d)** the proposed Subfranchisee and its Affiliates are not in Default under any agreement with Master Franchisee or Wahlburgers; **(e)** Wahlburgers has accepted the proposed Subfranchisee in accordance with Section 11.3; and **(f)** Wahlburgers has consented to the proposed location for the Subfranchised Restaurant. Wahlburgers will be an intended third party beneficiary of each Subfranchise Agreement. If Master Franchisee fails to enforce any Subfranchise Agreement against a Subfranchisee, Wahlburgers, or its designee, will have the right (but not the obligation) to do so, using such counsel and other suppliers as Wahlburgers selects, and Master Franchisee must fully reimburse all of Wahlburgers' related reasonable attorneys' fees, costs and other related expenses. Notwithstanding the foregoing, Wahlburgers is not a party to such Subfranchise Agreement and Wahlburgers is not responsible for any of the duties, obligations or requirements imposed on Master Franchisee by such agreement and as a consequence, Master Franchisee and its Subfranchisees must covenant never to commence any action or proceeding against Wahlburgers, file any complaint with any regulatory authority concerning Wahlburgers or otherwise assert any claim against Wahlburgers or in any way seek to hold Wahlburgers liable for any performance or non-performance under such agreement.

10.5 Restriction on Opening. Master Franchisee will not authorize the opening of any Subfranchised Restaurant until all of the following applicable conditions have been met:

(a) The Subfranchisee and its Affiliates are not in material default under the Subfranchise Agreement or any other agreements with Master Franchisee or its Affiliates or with Wahlburgers or its Affiliates.

(b) The Subfranchisee and its Affiliates are current on all obligations due to Master Franchisee and its Affiliates.

(c) The Subfranchisee has obtained a certificate of occupancy and any other required health, safety or fire department certificates.

(d) The Subfranchisee has certified to Master Franchisee in writing that all development, construction, equipping, furnishing, renovation and other preparation of the Subfranchised Restaurant has been performed in Full Compliance with all approved Plans and Specs for that Subfranchised Restaurant and all applicable laws.

(e) The Subfranchisee has hired and trained a staff in accordance with the requirements of this Agreement, the Manual and the Subfranchise Agreement.

(f) The Subfranchisee has provided Master Franchisee copies of all certificates of insurance or other required proof of insurance to show that all required insurance coverage is in force.

(g) The Subfranchisee has signed the applicable Subfranchise Agreement and paid Master Franchisee the required fees for the Subfranchised Restaurant.

10.6 Method and Delegation. Wahlburgers may periodically delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, including, but not limited to, Wahlburgers Affiliates, agents or independent contractors.

11. MASTER FRANCHISEE'S OPERATIONAL RIGHTS AND OBLIGATIONS

11.1 Offer and Sale of Subfranchises. In connection with Master Franchisee's offer and sale of subfranchises, Master Franchisee must, at its sole cost and expense (including without limitation all related attorneys' fees): (a) prepare, revise and register any required disclosure documents specific to the Development Territory; (b) submit to Wahlburgers for review and approval, each and every form of disclosure document that Master Franchisee intends to utilize in connection with its offer of subfranchises prior to filing with any franchise regulatory authority and/or before using them to solicit prospective Subfranchisees; (c) include any and all information and/or documentation that Wahlburgers requires Master Franchisee, from time to time, to include in those disclosure documents (which may require Master Franchisee to amend its disclosure document if there is a material change that Wahlburgers determines must be disclosed, at Master Franchisee's sole cost and expense); and (d) comply in all respects with all applicable laws and regulations pertaining to franchising and subfranchising in the Development Territory, including without limitation laws requiring registration and delivery of disclosure documents to prospective Subfranchisees. Wahlburgers is not responsible for preparing or registering any of these documents or for the accuracy of any such documents as distributed or filed for registration. Similarly, any changes, amendments or revisions to any of the disclosure documents must be approved by Wahlburgers before Master Franchisee's use of them. **Master Franchisee understands, acknowledges and agrees that Wahlburgers is not responsible for any form of Subfranchise Agreement or disclosure document that Wahlburgers provides to Master Franchisee, nor does Wahlburgers' approval of or advice concerning any of Master Franchisee's Subfranchise Agreement, disclosure document or other materials constitute, and will not be deemed to constitute, Wahlburgers' express or implied representation, warranty, guarantee or any other indication such materials comply with applicable law, and Master Franchisee forever waives any claim to the contrary.**

11.2 Franchise Marketing Strategy. Within 60 days after the Effective Date, Master Franchisee will submit to Wahlburgers a Franchise Marketing Strategy. Master Franchisee will not implement the Franchise Marketing Strategy unless and until Wahlburgers has consented to it in

writing. Master Franchisee will modify the Franchise Marketing Strategy as requested by Wahlburgers and, thereafter, no substantial changes will be made to the Franchise Marketing Strategy without the prior written consent of Wahlburgers. Master Franchisee will be solely responsible for complying with any law relating to the solicitation of prospective subfranchisees, the Franchise Marketing Strategy and the sale of subfranchises, including, but not limited to, any applicable franchise registration or disclosure laws.

11.3 Wahlburgers' Acceptance of Subfranchisees. Prior to executing any Subfranchise Agreement for a Subfranchised Restaurant, Master Franchisee will: **(a)** screen the prospective Subfranchisee to verify that the prospective Subfranchisee meets all criteria for Subfranchisees reasonably required by the Franchise Marketing Strategy or as otherwise required by Wahlburgers periodically; **(b)** submit to Wahlburgers a complete report (containing that information reasonably required by Wahlburgers) for the prospective Subfranchisee; and **(c)** obtain Wahlburgers' written consent to the prospective Subfranchisee. In addition, Wahlburgers' prior written consent is required before a Subfranchisee can relocate or cease operations at a Subfranchised Restaurant.

11.4 Market and Site Evaluation Assistance. Master Franchisee will assist Subfranchisees in evaluating specific locations for Subfranchised Restaurants by: **(a)** identifying, analyzing and assessing proposed restaurant locations; **(b)** modifying the Plans and Specs for the Authorized Site, including preparation of building plans, signage, interior designs and layouts, décor, furniture, fixtures and equipment and mechanical standards; and **(c)** obtaining any governmental or other approvals which may be necessary to construct, open and operate a Subfranchised Restaurant. Master Franchisee will permit Subfranchisees to modify the Plans and Specs only as necessary to conform with local building codes and regulations and to the extent required to adapt the Plans and Specs to the Authorized Site.

11.5 Subfranchise Agreement.

(a) Generally. Master Franchisee will not permit any material modification to the Subfranchise Agreement without obtaining Wahlburgers' prior written consent. Wahlburgers will consider any change or modification to the Subfranchise Agreement; however, Wahlburgers will have absolute discretion in approving or rejecting such changes or modifications. Wahlburgers may terminate this Agreement pursuant to Section 19.1 if Master Franchisee executes a Subfranchise Agreement that contains a material modification with respect to which Wahlburgers has not given its prior written consent.

(b) Modification by Wahlburgers. Wahlburgers may periodically change or modify the Subfranchise Agreement. If the Subfranchise Agreement is changed or modified by Wahlburgers, Master Franchisee will accept those changes or modifications as if they were a part of the Subfranchise Agreement at the time this Agreement was executed. If Wahlburgers modifies the Subfranchise Agreement, Master Franchisee will use the modified form of Subfranchise Agreement.

11.6 Procedures for Offering Services. At least 60 days before the Opening Date for the first Subfranchised Restaurant, Master Franchisee will submit to Wahlburgers a Franchise Services Program. Master Franchisee will not implement the Franchise Services Program unless and until Wahlburgers has consented in writing to that program. Master Franchisee will modify the Franchise Services Program as requested by Wahlburgers, and thereafter, no substantial changes may be made to the Franchise Services Program without Wahlburgers' prior written consent. Master Franchisee will be solely responsible for complying with any applicable law relating to Master Franchisee's relationship with Subfranchisees. All services and assistance provided to Subfranchisees in connection with the operation of Subfranchised Restaurants will be provided by

Master Franchisee, and this obligation will not be transferred, delegated or subcontracted to any other Person or business entity without Wahlburgers' prior written approval.

11.7 Financial Services. Master Franchisee will require Subfranchisees to use a specified Computer System and related software. The Computer System will enable Wahlburgers (or Master Franchisee on Wahlburgers' behalf) to poll each Subfranchised Restaurant to obtain sales and other data which Wahlburgers requires periodically. In addition, Master Franchisee will: **(a)** provide Subfranchisees with consultation and support services regarding the Computer System as may be designated by Wahlburgers periodically; **(b)** assist Subfranchisees in establishing accounting systems and financial reporting in the format specified by Wahlburgers periodically; and **(c)** assist Wahlburgers in evaluating the financial status of Subfranchisees, as directed by Wahlburgers periodically.

11.8 Inspections, Evaluations and Consultation. Master Franchisee will inspect, evaluate and provide consultation services with regard to Subfranchised Restaurants operated by Subfranchisees. These services will include conducting detailed restaurant evaluations to assist Subfranchisees in maintaining acceptable levels of quality, service and cleanliness.

11.9 Advertising Materials. Wahlburgers periodically will advise Master Franchisee of the advertising and sales promotions authorized by Wahlburgers. Local advertising and promotion materials will comply with all applicable laws and with the guidelines for advertising and promotions promulgated periodically by Wahlburgers, and it will be solely Master Franchisee's obligation to ensure such compliance. All proposed advertising materials must be submitted to Wahlburgers or Wahlburgers' designee prior to first use for approval. Wahlburgers will be deemed to have approved such advertising material if Wahlburgers does not otherwise advise Master Franchisee within 30 days after receipt of the advertising. In no event will Master Franchisee's advertising contain any statement or material which, in the sole discretion of Wahlburgers, may be considered: **(a)** in bad taste or offensive to the public or to any group of Persons; **(b)** defamatory of any Person or an attack on any competitor; **(c)** to infringe upon the use, without permission, of any other Person's trade name, trademark, service mark or identification; or **(d)** inconsistent with the public image of Wahlburgers, its Affiliates, the Wahlburgers System or Wahlburgers Restaurants. All copyrights in Master Franchisee's advertising materials will be owned by Wahlburgers, and Master Franchisee will execute (and, if necessary, use best efforts to cause its officers, employees and contractors to execute) all documents requested by Wahlburgers to evidence that ownership and to enable Wahlburgers to use and otherwise deal with such advertising materials as Wahlburgers determines in its sole discretion without infringing the rights of any Person. Master Franchisee will not use, and will cause Subfranchisees not to use, any advertising or promotional materials that Wahlburgers (or Wahlburgers' designee) has disapproved or that do not include the copyright registration notice and trademark registration notices designated by Wahlburgers. Master Franchisee waives all moral rights it may have (if any) under applicable law to be identified as the author of any such modifications.

11.10 Sourcing of Products and Services.

(a) Master Franchisee acknowledges that the reputation and goodwill of Wahlburgers, the Wahlburgers System and Wahlburgers Restaurants are based upon, and can only be maintained by, the sale of distinctive, high quality food products and beverages, and the presentation, packaging and service of such products in an efficient and appealing manner in accordance with the Wahlburgers System. As such, Wahlburgers has the right to require that all food and non-food products (including, but not limited to, Branded Merchandise), supplies, equipment and services purchased and/or used by Master Franchisee and/or its Subfranchisees **(i)** meet specifications that Wahlburgers establishes from time to time; **(ii)** be purchased only from

suppliers to whom Wahlburgers has consented (which may include Wahlburgers and/or its Affiliates); and/or (iii) be purchased only from a single source or from a limited number of designated sources (which may include Wahlburgers and/or its Affiliates). To the extent that Wahlburgers establishes specifications, requires its consent to suppliers or designates specific suppliers for particular items, Wahlburgers will publish its requirements in the Manual or otherwise in writing.

(b) Wahlburgers has developed and may continue to develop certain proprietary products that will be prepared by or for Wahlburgers according to its proprietary special recipes and formulas. Master Franchisee agrees to require its Subfranchisees to purchase and use those proprietary products only from Wahlburgers, Wahlburgers Affiliates or a third party designated and licensed by Wahlburgers to prepare and sell such products.

(c) Wahlburgers may create purchasing restrictions to control the quality and selection, and ensure the consistency, of menu items, ingredients, Branded Merchandise and other merchandise; to consolidate System purchases to reduce costs or ensure availability of products; or for other valid business reasons.

(d) Master Franchisee may not, and must ensure that its Subfranchisees do not, engage in "grey market" activities, in which Master Franchisee or its Subfranchisees, as applicable, take advantage of any group purchasing arrangements for Wahlburgers Restaurants to purchase products that they then resell to purchasers outside of the System or use in a business outside of the System.

(e) Wahlburgers and its Affiliates may earn income on sales of products (including, but not limited to, Branded Merchandise), ingredients and/or supplies to Master Franchisee and/or its Subfranchisees. If Wahlburgers or its Affiliates receive any rebates, commissions or other payments from third-party suppliers based on purchases from Master Franchisee and/or its Subfranchisee, Wahlburgers may retain the rebates, commissions or other payments. Master Franchisee agrees that Wahlburgers is entitled to such income and consideration.

(f) Branded Merchandise must be purchased from Wahlburgers or a source designated by Wahlburgers. If Master Franchisee would like to purchase other products or services from a supplier who Wahlburgers has not consented to, Master Franchisee must submit a written request for consent. Wahlburgers has the right to inspect the proposed supplier's facilities and test samples of the proposed products. Master Franchisee agrees to pay to Wahlburgers a reasonable fee, not to exceed the actual cost of the inspection and testing the proposed product or evaluating the proposed supplier, including personnel and travel costs, whether or not the product or supplier is accepted. Wahlburgers has the right to grant, deny or revoke consent to products, services and suppliers in its sole discretion. Wahlburgers will notify Master Franchisee of its decision as soon as practicable following its evaluation. Wahlburgers reserves the right to reinspect the facilities and products of any accepted supplier and revoke acceptance upon the supplier's failure to meet any of our then-current criteria.

11.11 Compliance with the Wahlburgers System by Subfranchisees. Master Franchisee agrees to exercise its best efforts to diligently and continuously monitor compliance by Subfranchisees with the Wahlburgers System and to strictly enforce each Subfranchise Agreement. Master Franchisee agrees that, if it is unable to obtain a Subfranchisee's voluntary compliance with the applicable Subfranchise Agreement, Master Franchisee will take all appropriate legal action, including termination of the Subfranchise Agreement, and enforcement of the post-termination obligations under the Subfranchise Agreement. Master Franchisee's

enforcement obligations under the Subfranchise Agreement include the pursuit of all legal remedies available under applicable law.

If Wahlburgers determines that a Subfranchisee is not in compliance with the applicable Subfranchise Agreement, Wahlburgers may notify Master Franchisee of the noncompliance, and Master Franchisee will exercise its best efforts to obtain compliance. If Wahlburgers, in its reasonable judgment, determines that Master Franchisee has not exercised its best efforts or that Subfranchisee's failure to comply is material and continues unabated, Wahlburgers will have the right to enforce the Subfranchise Agreement and pursue all available remedies, including termination of the Subfranchise Agreement, and Master Franchisee will cooperate with Wahlburgers. Master Franchisee will reimburse Wahlburgers for all Losses and Expenses that Wahlburgers incurs in doing so.

11.12 Master Franchisee's Management Personnel. Master Franchisee will hire and continuously employ a sufficient number of qualified management personnel (including Trainers) to properly supervise and provide infrastructure and functional support for all disciplines involved in the ongoing operation of all Subfranchised Restaurants in the Development Territory, in accordance with guidelines established by Wahlburgers periodically. Master Franchisee must hire and maintain a sufficient number (as determined by Wahlburgers) of dedicated franchise business consultants to support the Subfranchised Restaurants. Master Franchisee will keep Wahlburgers advised of the identities of these personnel. Master Franchisee will be responsible for ensuring that these personnel are properly trained to perform their duties.

12. INSURANCE

12.1 Duty to Insure. Master Franchisee will, throughout the Agreement Term, maintain in full force and effect such insurance, with such minimum liability coverages, as Wahlburgers may periodically determine to be necessary or appropriate to cover all Claims arising out of, in connection with or in relation to this Agreement or any Related Agreement. Wahlburgers will provide Master Franchisee 10 days' prior written notice of any change to the insurance coverage required by Wahlburgers.

12.2 Required Policy Terms. All insurance policies that Master Franchisee is required to secure or maintain under this Agreement will name Wahlburgers and Wahlburgers Affiliates as a named principal and (to the extent each has an insurable interest) as additional insureds, contain a waiver of all subrogation rights against Wahlburgers and Wahlburgers Affiliates and their successors and assigns and provide for not less than 30 days' notice to Wahlburgers of any material modification, decrease in amount or scope of coverage, or cancellation or expiration of the policy.

12.3 Annual Proof of Insurance. Each year during the Agreement Term, on or before the anniversary of the date Master Franchisee signed this Agreement, Master Franchisee will provide Wahlburgers copies of such certificates of insurance or other proof of insurance as Wahlburgers may require to show that all insurance coverage is in force and that Wahlburgers is named as an interested party. The maintenance and proof of sufficient insurance coverage will be the sole responsibility of Master Franchisee.

13. PROPRIETARY MARKS

13.1 Limited Rights. Master Franchisee's right to use the Proprietary Marks is limited to their use as expressly provided in this Agreement and the Manual, which will include, without limitation, granting Subfranchisees the right to use the Proprietary Marks in accordance with this

Agreement and the Subfranchise Agreements. Master Franchisee will not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by Wahlburgers or in any business entity name and will not use any other trade names, service marks or trademarks in conjunction with Master Franchisee's business under this Agreement. Master Franchisee may not modify the Proprietary Marks in any manner. Master Franchisee will not use the Proprietary Marks in any email address or on any Social Media without Wahlburgers' prior written consent. Both during and after the Term, Master Franchisee agrees not to directly or indirectly contest or aid in contesting the validity of Wahlburgers' or its Affiliates rights in the Proprietary Marks or take any action detrimental to our rights in the Proprietary Marks.

13.2 Modifications of Proprietary Marks. Wahlburgers has the right, but not the obligation, to adopt additional or new names and marks to identify Wahlburgers Restaurants and/or for use in the Wahlburgers System. Master Franchisee will be required, following written notice from Wahlburgers, to adopt such additional or new names and marks and to change those items specified by Wahlburgers bearing the Proprietary Marks (and will require Subfranchisees to make such changes) within a reasonable period of time, as determined by Wahlburgers, without any liability to Wahlburgers.

13.3 Ownership Interests. Master Franchisee acknowledges and agrees that nothing in this Agreement gives Master Franchisee any right, title or interest in the Proprietary Marks (except the right to use and license Subfranchisees to use the Proprietary Marks in accordance with the terms of this Agreement), that the Proprietary Marks are and will remain the sole property of Wahlburgers and Wahlburgers Affiliates, that Master Franchisee will not directly or indirectly contest the validity or ownership of the Proprietary Marks or the right of Wahlburgers to license the Proprietary Marks (except as expressly granted in this Agreement), and that all uses by Master Franchisee of the Proprietary Marks and the goodwill arising therefrom will inure exclusively to the benefit of Wahlburgers and Wahlburgers Affiliates. Any unauthorized use of the Proprietary Marks by Master Franchisee or attempt by Master Franchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction will constitute a breach of this Agreement and an infringement of the rights of Wahlburgers and Wahlburgers Affiliates in and to the Proprietary Marks. Upon the expiration or termination of the Agreement Term, no monetary amount will be attributable to goodwill associated with Master Franchisee's or its Subfranchisee's activities as a franchisee this Agreement or any Subfranchise Agreement.

13.4 Infringements. Master Franchisee will promptly inform Wahlburgers in writing as to any infringement of the Proprietary Marks of which Master Franchisee has knowledge. Master Franchisee will not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement without first obtaining the written approval of Wahlburgers. Wahlburgers will have the right, but not the obligation, to bring such action or take such steps as it may deem advisable to prevent any such infringement and to join Master Franchisee as a party to any action in which Wahlburgers or Wahlburgers Affiliates are or may be a party and as to which Master Franchisee is or would be a necessary or proper party.

13.5 Third-Party Challenges. Master Franchisee agrees to notify Wahlburgers promptly of any unauthorized use of the Proprietary Marks that Master Franchisee suspects or of which Master Franchisee has knowledge. Master Franchisee also agrees to inform Wahlburgers promptly of any challenge by any person or entity to the validity of, Wahlburgers' ownership of, or Wahlburgers' right to license others to use, any of the Proprietary Marks and of any litigation (including administrative or arbitration proceedings) of which Master Franchisee is aware instituted against Wahlburgers, Wahlburgers Affiliates, Master Franchisee, Master Franchisee Affiliates or

any Subfranchisee relating to the Proprietary Marks. Master Franchisee acknowledges and agrees that Wahlburgers has the right, but not the obligation, to initiate, direct and control any litigation or administrative proceeding relating to the Proprietary Marks, including, but not limited to, any settlement. Master Franchisee agrees to sign all documents and render any other assistance Wahlburgers and do any acts and things as may, in the opinion of counsel for Wahlburgers or Wahlburgers Affiliates, be necessary or advisable to protect and maintain the interests of Wahlburgers and Wahlburgers Affiliates in the Proprietary Marks.

13.6 Social Media. Wahlburgers may establish a Social Media policy, and Master Franchisee must comply with any such Social Media policy, as modified periodically, and any additional policies that Wahlburgers issues. Any copyright in Master Franchisee's sites or pages on any Social Media are owned by Wahlburgers, and Master Franchisee must sign any documents that Wahlburgers reasonably deems necessary to affirm Wahlburgers' ownership of the copyright.

14. ORGANIZATION OF MASTER FRANCHISEE

14.1 Governing Documents. Master Franchisee has provided Wahlburgers copies of all documents governing Master Franchisee's affairs, in addition to such other documents as Wahlburgers may reasonably require. Master Franchisee must secure Wahlburgers' prior written consent before making any changes to the governing documents. At all times during the Agreement Term, the governing documents must provide that Master Franchisee's activities and purposes are limited to the licensing of Wahlburgers Restaurants and permit the execution of Subfranchise Agreements, this Agreement and any other agreement with Wahlburgers to carry out Master Franchisee's obligations under this Agreement.

14.2 Ownership Interests. Master Franchisee has provided Wahlburgers all information regarding the Original Owners called for in Appendix B. Master Franchisee will, on a continuing basis, provide Wahlburgers with updates of the information regarding Franchisee's direct and indirect owners as and when any event occurs that does or may render any of the information previously provided untrue or inaccurate.

14.3 Guarantee. Master Franchisee will cause each Guarantor simultaneously with Master Franchisee's execution of this Agreement to execute and deliver to Wahlburgers an executed original of the Guarantee. During the Agreement Term, Master Franchisee will on a continuing basis cause each Person who becomes a Guarantor to execute and deliver to Wahlburgers an executed original of the Guarantee.

15. TRANSFERS BY WAHLBURGERS

Wahlburgers and its owners have the absolute, unconditional and irrevocable right to transfer or assign ownership interests in Wahlburgers and all or any part of Wahlburgers' rights, obligations and interest in this Agreement and/or any Related Agreement to any Person without giving notice to Master Franchisee and without Master Franchisee's consent. Master Franchisee agrees that Wahlburgers will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred. Wahlburgers also has the absolute, unconditional and irrevocable right to assign or delegate all or any part of its rights and obligations under this Agreement and/or any Related Agreement to any Person without giving notice to Master Franchisee and without Master Franchisee's consent. Master Franchisee agrees to sign any documentation necessary to transfer or assign all or any part of Wahlburgers' interest in this Agreement and/or any Related Agreement to any Person.

16. TRANSFERS BY MASTER FRANCHISEE

16.1 Wahlburgers' Prior Written Consent Required.

(a) Wahlburgers was induced to enter this Agreement by, and this Agreement in its entirety is based on: **(i)** Master Franchisee's and Original Owners' business skill, financial capacity, character, experience and demonstrated or purported ability to license Subfranchisees to develop, open and operate, high quality food-service operations successfully; and **(ii)** the understanding that the rights and obligations of Master Franchisee under this Agreement are specific to Master Franchisee. Accordingly, Master Franchisee will not effect or cause, encourage or authorize to be effected any Transfer without Wahlburgers' prior written consent, which Wahlburgers may grant or withhold in its discretion. Any Transfer or purported Transfer, whether by operation of law or otherwise, that is effected without the prior written consent of Wahlburgers or otherwise fails to be in Full Compliance with this Section 16 will be null and void, and will constitute a Default, for which Wahlburgers may terminate this Agreement without providing Master Franchisee an opportunity to cure the Default.

(b) Wahlburgers may condition its consent to any Transfer on those terms and conditions that Wahlburgers prescribes; by way of illustration, and not limitation, Wahlburgers may require that:

(i) Master Franchisee pays Wahlburgers the Master Franchise Transfer Fee and all attorneys' fees and costs incurred by Wahlburgers in relation to the plans (provided that such attorneys' fees and costs are payable whether or not the Transfer proceeds or not).

(ii) Master Franchisee Transfers the same interests with respect to all Subfranchised Restaurants owned by Affiliated Subfranchisees.

(iii) Master Franchisee, each Master Franchisee Affiliate, and each Guarantor are in Full Compliance.

(iv) In all proposed Transfers of ownership interests in Master Franchisee, Transferee (and if any Transferee is not a natural Person, all Persons that have any direct or indirect, legal or beneficial ownership interest in each Transferee as Wahlburgers may require) must: **(A)** have demonstrated to Wahlburgers satisfaction extensive experience in high quality restaurant operations of a character and complexity similar to that associated with Wahlburgers Restaurants and the Wahlburgers System; **(B)** have a management culture compatible with that of Wahlburgers, as determined by Wahlburgers; **(C)** have sufficient and appropriate moral character, educational credentials, business and managerial acumen, aptitude, ability, standards and reputation, credit rating, financial resources and capital, all as determined by Wahlburgers; and **(D)** along with such other Persons as Wahlburgers may designate, have taken, at the sole expense of Master Franchisee or Transferee, and successfully completed (as determined by Wahlburgers in its sole discretion) such training as Wahlburgers may periodically require.

(c) Master Franchisee, the transferor and those Master Franchisee Affiliates as Wahlburgers may require: **(i)** execute a general release, in a form prescribed by Wahlburgers, of all Claims against Wahlburgers and its past, present and future Affiliates, officers, directors, members, managers, shareholders, agents and employees; and **(ii)** execute, in the form prescribed by Wahlburgers, a non-competition agreement in favor of Wahlburgers, Wahlburgers Affiliates and Transferee, which will require that, for a period of 2 consecutive years immediately following the Transfer, the transferor and all Persons with an ownership interest in the transferor will comply with the Non-Competition Obligations; and **(iii)** execute all other documents then

customarily required by Wahlburgers in connection with granting or Transferring franchises in such form as prescribed by Wahlburgers.

(d) If Master Franchisee proposes to Transfer this Agreement, as opposed to ownership interests in Master Franchisee, in addition to the requirements of this Section 16, the Transferee must enter into, as Wahlburgers may require: (I) a written assignment, in form and substance acceptable to Wahlburgers, under which Transferee (and any guarantors of Transferee) assume and agree to discharge the obligations that are proposed to be transferred to Transferee; and/or (II) one or more new agreements with Wahlburgers covering such obligations and using such forms of agreement designated by Wahlburgers (for example, without limitation, then-current forms of master franchise agreement, subfranchise agreement or riders to such agreements). Master Franchisee and Transferee also must sign all other documents and take such actions as Wahlburgers may require to protect Wahlburgers' rights under this Agreement.

(e) Master Franchisee and the transferor will remain fully liable for, and have paid, all obligations to Wahlburgers and Wahlburgers Affiliates incurred before the Transfer, execute, and remain after the Transfer in Full Compliance with, all instruments reasonably requested by Wahlburgers or Wahlburgers Affiliates to evidence that liability and on request, and according to such terms and conditions as may be prescribed, by Wahlburgers, place in escrow a sum sufficient to ensure that all such obligations are satisfied.

16.2 Securities Offerings. Any Transfer in the nature of a public offering, exempt offering or private placement of securities or ownership interests in Master Franchisee may be effected only with the prior written consent of Wahlburgers. Master Franchisee, at its expense, also must deliver to Wahlburgers an opinion of Master Franchisee's legal counsel (addressed to Wahlburgers and in a form acceptable to Wahlburgers) that the offering documents properly use the Proprietary Marks and accurately describe Master Franchisee's relationship with Wahlburgers and/or Wahlburgers Affiliates. For each such proposed Transfer, Master Franchisee will pay to Wahlburgers the Master Franchise Transfer Fee and those amounts as may be necessary to reimburse Wahlburgers for its actual costs and expenses, including without limitation any attorneys' fees and costs, incurred in connection with reviewing any such proposed Transfer. The indemnification provisions of Section 21 will also include any losses or expenses incurred by Wahlburgers and/or Wahlburgers Affiliates in connection with any statements made by or on behalf of Master Franchisee in any public or private offering of Master Franchisee's securities.

16.3 Non-Conforming Transfers; No Waiver. Any purported Transfer that is not in compliance with this Section 16 is null and void and constitutes a material breach of this Agreement, for which Wahlburgers may terminate this Agreement without opportunity to cure. If Wahlburgers consents to any Transfer, Wahlburgers has not, and will not be deemed to have, released or waived: (a) any Claim or right Wahlburgers may have against Master Franchisee, any Master Franchisee Affiliate, any Guarantor, the transferor or the Transferee; (b) any right on the part of Wahlburgers to demand Full Compliance with any of the terms of this Agreement or any Related Agreement by the Transferee or any Affiliates of the Transferee; or (c) any right to consent to or refuse to consent to any other Transfer regardless of the timing of that Transfer.

16.4 Effect of Wahlburgers Involvement. If Wahlburgers consents to any Transfer, that consent is not a representation of success and will not create any liability on the part of Wahlburgers with respect to the financial prospects or performance, or business success or failure, of the Transferee before, on or after the Transfer. If Wahlburgers refuses to consent to any Transfer, that refusal will not create any liability on the part of Wahlburgers to Master Franchisee, any transferor or the Transferee. If Wahlburgers participates in, or provides any input, advice or counsel in connection with, any discussions, deliberations or negotiations of any Transfer,

Wahlburgers does so without any obligation to approve the Transfer and without any liability to Master Franchisee, any transferor or the proposed Transferee.

17. COVENANTS

17.1 Best Efforts. Master Franchisee covenants that, during the Development Term, it will devote its best efforts to licensing Subfranchised Restaurants and, during the Agreement Term, Master Franchisee will devote its best efforts to acting as the subfranchisor with respect to Subfranchisees.

17.2 Confidentiality Obligations.

(a) Acknowledgments. Master Franchisee acknowledges and agrees that:

(i) Wahlburgers and Wahlburgers Affiliates exclusively own all right, title and interest in and to the Wahlburgers System; (ii) the Wahlburgers System gives Wahlburgers and Wahlburgers Affiliates a significant competitive advantage and is of substantial and material value to Wahlburgers and Wahlburgers Affiliates; (iii) in developing the Wahlburgers System, Wahlburgers and Wahlburgers Affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (iv) Wahlburgers and Wahlburgers Affiliates have taken and continue to take appropriate and valuable measures necessary to protect the Wahlburgers System; and (v) all materials or information previously, now or hereafter provided to, disclosed to, obtained by or learned by Master Franchisee in connection with the Wahlburgers System and/or developing, opening, operating and/or licensing of Wahlburgers Restaurants will be deemed Confidential/Proprietary Information disclosed to Master Franchisee in confidence by Wahlburgers under this Agreement.

(b) Covenants. Accordingly, Master Franchisee covenants and agrees that during the Agreement Term and following the expiration or termination of the Agreement Term, neither Master Franchisee, nor any Master Franchisee Affiliate, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any Third Party, will, without the Wahlburgers' prior written approval: (i) disclose any aspect or part of the Wahlburgers System to anyone who is not an employee of Master Franchisee or a Subfranchisee; (ii) disclose to an employee of Master Franchisee or a Subfranchisee more information about any aspect or part of the Wahlburgers System than such employee or Subfranchisee has a need to know at the time of disclosure; (iii) fail to have an adequate system in place to ensure that employees of Master Franchisee and Subfranchisees keep secret and maintain the strict confidentiality of all Confidential/Proprietary Information (if requested by Wahlburgers, Master Franchisee will obtain from employees of Master Franchisee or Subfranchisees designated by Wahlburgers an executed Non-Disclosure Agreement in the form prescribed by Wahlburgers); (iv) acquire or purport to have acquired any interest of any kind in the Wahlburgers System; or (v) undertake any unauthorized or unlicensed use, disclosure, dissemination, duplication or publication, in whole or in part, of the Wahlburgers System or Confidential/Proprietary Information to or for the benefit of any Competitive Business or Third Party. Master Franchisee acknowledges and agrees that any such use, disclosure, dissemination, duplication or publication constitutes an unfair method of competition by reason of which Wahlburgers will, notwithstanding any Enforcement Provision, be entitled to all legal and equitable remedies, including without limitation, temporary and permanent injunctive relief and specific performance without posting a bond.

17.3 Non-Competition Obligations.

(a) Acknowledgments. Master Franchisee acknowledges and agrees that:

(i) Wahlburgers would be unable adequately to protect the Wahlburgers System against unauthorized use or disclosure, and would be unable adequately to encourage a free exchange of ideas and information among all international and domestic Wahlburgers master franchisees, developers, licensees and franchisees, if Master Franchisee or any Master Franchisee Affiliate were permitted to hold any interest in any Competitive Business; and (ii) the Non-Competition Obligations are fair and reasonable in term, territory, scope and otherwise and will not materially hinder, or adversely affect, the business or activities of Master Franchisee or Master Franchisee Affiliates.

(b) Covenants. Master Franchisee covenants and agrees that, during the

Agreement Term and for a period of 2 consecutive years following the expiration, termination or Transfer of this Agreement, neither Master Franchisee, nor any Master Franchisee Affiliate, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any Third Party, will, without the prior written approval of Wahlburgers:

(i) divert or attempt to divert by any direct or indirect inducement or otherwise any business, potential subfranchisee, customer or supplier, or potential business, customer or supplier, of Wahlburgers, any Wahlburgers Affiliate, any Subfranchisee or any Wahlburgers Restaurant to any competitor of Wahlburgers, any Competitive Business or any Third Party; or

(ii) own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have or take any interest in, either directly or indirectly, any Competitive Business, other than an Existing Business. During the Agreement Term, there is no geographical limitation on this restriction. Following the expiration, termination or Transfer of this Agreement, this restriction will apply to any Competitive Business located within the Development Territory or within a 2-mile radius of any then-existing Wahlburgers Restaurant.

(c) Miscellaneous. If a court or tribunal of competent jurisdiction finds any of these Non-Competition Obligations to be unlawful with regard to time or distance, the time or distance may be reduced by an appropriate order to that deemed reasonable by the court or tribunal. If Wahlburgers files or makes any Claim to enforce the post-termination portion of these Non-Competition Obligations, the post-term noncompetition period will be extended through the first 2 consecutive years immediately following the entry of a final non-appealable judgment.

17.4 High Ethical Standards and Legal Compliance. Wahlburgers is committed to the maintenance of the high standards of ethical conduct and legal compliance that have come to be associated with Wahlburgers, its Affiliates, Related Persons of Wahlburgers, the Wahlburgers System, Wahlburgers Restaurants and the Proprietary Marks. Master Franchisee undertakes to adhere to and maintain these same high standards.

17.5 Enforcement and Sufficiency. The existence of any Claim by Master Franchisee or any Master Franchisee Affiliate against Wahlburgers, any Wahlburgers Affiliate or any Related Person of Wahlburgers will not constitute a defense to the enforcement by Wahlburgers of the Confidentiality Obligations, Non-Competition Obligations or other obligations of Master Franchisee under this Section 17. The rights and opportunities obtained by Master Franchisee under this Agreement are of substantial and material value to Master Franchisee and are appropriate and sufficient in light of the Confidentiality Obligations, Non-Competition Obligations or other obligations of Master Franchisee under this Section 17 and otherwise under this Agreement.

17.6 Survival. The terms of this Section 17 will survive the termination, expiration, or any Transfer of this Agreement. The parties agree this Section 17 will be construed as independent of any other provision of this Agreement.

18. TERMINATION OR EXPIRATION OF THE DEVELOPMENT TERM

18.1 Grounds for Termination. Wahlburgers may terminate the Development Term, for cause, upon the first occurrence of any of the following if Master Franchisee fails to remedy the Default in 30 days after receiving written notice of default stating that Wahlburgers proposes to terminate the Development Term because of the breach and including those steps that Master Franchisee must take to remedy the Default:

(a) Master Franchisee permits any Subfranchisee to commence construction of any Wahlburgers Restaurant before Master Franchisee has received a fully-executed Subfranchise Agreement.

(b) At any time, there are open and operating fewer than the cumulative number of Subfranchised Restaurants required by the Development Schedule without the consent and approval of the Wahlburgers.

In lieu of terminating the Development Term, Wahlburgers may elect, in its sole and absolute discretion, to modify or terminate Master Franchisee's limited exclusive rights in the Development Territory granted pursuant to Section 2.3(d), including, but not limited to, reducing the Development Territory.

18.2 Statutory Notices. If any valid, applicable law or regulation of any competent governmental authority having jurisdiction over this Agreement requires a longer notice or cure period, this Agreement will be deemed amended to comply with the minimum notice or cure period of such applicable law or regulation.

18.3 Effect of Termination or Expiration of the Development Term. Upon termination or expiration of the Development Term:

(a) Master Franchisee's right to license third parties to establish additional Subfranchised Restaurants in the Development Territory will immediately terminate.

(b) Wahlburgers will have the right to operate, or to license others to operate, Wahlburgers Restaurants in the Development Territory and to appoint another master franchisee to license third parties to, or itself, operate Wahlburgers Restaurants in the Development Territory. Master Franchisee will immediately take all measures to ensure that, as of the expiration or earlier termination of the Development Term, Wahlburgers enjoys the unfettered right to develop, open and operate or license others to develop, open and operate Wahlburgers Restaurants anywhere in the Development Territory.

(c) Unless the Agreement Term is terminated, termination or expiration of the Development Term will not affect Master Franchisee's rights and obligations under the Subfranchise Agreements in effect as of the effective date of termination or expiration of the Development Term and, accordingly, the terms and conditions of this Agreement will continue to apply to the extent they relate to existing Subfranchise Agreements and existing Subfranchised Restaurants.

(d) Wahlburgers will not, upon the expiration or termination of the Development Term, be liable to Master Franchisee for compensation, reimbursement or damages of any kind due to loss of prospective profits or anticipated sales due to expenditures, investments, leases or commitment in connection with Master Franchisee's business or goodwill.

(e) If there are no operating Subfranchised Restaurants at the time that the Development Term is terminated or expires, the Agreement Term also will terminate.

19. TERMINATION OR EXPIRATION OF THE AGREEMENT TERM.

19.1 Termination by Wahlburgers. Without limiting any other right of Wahlburgers to terminate this Agreement or any Related Agreement, Wahlburgers may terminate the Agreement Term and this Agreement and all rights granted by this Agreement following written notice to Master Franchisee, without providing Master Franchisee an opportunity to cure, upon the first occurrence of any of the following:

(a) Master Franchisee no longer holds a license that Master Franchisee must hold to complete its obligations under this Agreement.

(b) Master Franchisee becomes insolvent or unable to pay its creditors (including us); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against it a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization that is not dismissed within 60 days of the filing; Master Franchisee makes an assignment for the benefit of creditors; or a receiver or trustee is appointed and not dismissed within 60 days of the appointment.

(c) Master Franchisee voluntarily abandons the franchise relationship.

(d) Wahlburgers discovers that Master Franchisee made a material misrepresentation or omitted a material fact in the information that it furnished to Wahlburgers in connection with Wahlburgers' decision to enter into this Agreement.

(e) Master Franchisee knowingly falsify any report required to be furnished to Wahlburgers, make any material misrepresentation in its dealings with Wahlburgers, fails to disclose any material facts to Wahlburgers or otherwise commits or engages in any act of fraud or misrepresentation in connection with its business dealings.

(f) Master Franchisee or any of its owners, managers, members, officers or directors is convicted of, or pleads no contest to, a crime that Wahlburgers reasonably believe is likely to harm the reputation of the System or Wahlburgers' goodwill.

(g) Any Transfer that requires Wahlburgers' prior written consent occurs without Master Franchisee having obtained that prior written consent.

(h) Any condition exists with respect to the operation of Master Franchisee's business and its oversight of Subfranchisees that, in Wahlburgers' reasonable judgment, seriously jeopardizes public health or safety.

(i) Any Default occurs with respect to any of the Confidentiality Obligations or Non-Competition Obligations.

(j) Master Franchisee or a Master Franchisee Affiliate remains in Default beyond the applicable cure period (if any) under any other agreement with Wahlburgers or any Wahlburgers Affiliate, provided that, if the default is not by Master Franchisee, Master Franchisee is given written notice of default and 30 days to cure the default.

(k) Any failure by Master Franchisee to comply materially with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(l) Master Franchisee executes a Subfranchise Agreement that contains a material modification from the form approved by Wahlburgers to which Wahlburgers has not consented.

(m) Master Franchisee fails to pay any monies owed to Wahlburgers or its Affiliates under this Agreement when those monies become due and payable, and Master Franchisee fails to pay those monies within 10 days after receiving written notice of Default.

(n) If, at the time the Development Term is terminated or expires, there are no Subfranchised Restaurants in operation in the Development Territory.

(o) Except for those items listed in Sections 19.1(a) – (n) above, if Master Franchisee fails to materially comply with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith and Master Franchisee fails to cure the Default within 30 days after written notice of Default from Wahlburgers. Notwithstanding the foregoing, if the Default cannot be corrected within 30 days, Master Franchisee will have such additional time to correct the Default as reasonably required (not to exceed 90 days), provided that Master Franchisee begins taking the actions necessary to correct the Default during the 30-day cure period and diligently and in good faith pursues those actions to completion. Master Franchisee will be in Default under this Section 19.1(o) for any failure to comply with any of the material requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

Notwithstanding Section 19.1, upon the occurrence of any of the events identified in Section 19.1 or Master Franchisee's failure to cure any other Default within 30 days after receiving written notice of default from Wahlburgers, in lieu of terminating this Agreement and the rights granted by this Agreement, Wahlburgers may elect, in its sole and absolute discretion, to modify or terminate Master Franchisee's limited exclusive rights in the Development Territory granted pursuant to Section 2.3(d), including, but not limited to, reducing the Development Territory.

19.2 Statutory Notices. If any valid, applicable law or regulation of any competent governmental authority having jurisdiction over this Agreement requires a longer notice or cure period, this Agreement will be deemed amended to comply with the minimum notice or cure period of such applicable law or regulation

19.3 Consequences and Obligations Upon Termination or Expiration

(a) **Generally.** Upon the expiration or earlier termination of this Agreement, whether for cause or otherwise: (i) the grant of rights set forth in Section 2.1 will immediately expire and cease to be valid; (ii) Master Franchisee will immediately cease the licensing of Subfranchised Restaurants under this Agreement; (iii) Master Franchisee will continue to abide by the Confidentiality Obligations and the Non-Competition Obligations and will not, directly or indirectly, take or cause, encourage or authorize the taking or omission of any action that violates

those obligations; **(iv)** Master Franchisee will immediately pay Wahlburgers and its Affiliates all sums that are due, owing and payable under this Agreement or any Related Agreement; and **(v)** Master Franchisee will immediately take all measures required to ensure that, as of the Termination Date, Wahlburgers enjoys an unfettered right to develop, open or operate, or cause, encourage or authorize others to develop, open or operate Wahlburgers Restaurants anywhere in the Development Territory.

(b) Branded Merchandise. Within 15 days after the Termination Date, Master Franchisee must sell to Wahlburgers, and Wahlburgers will buy, all Branded Merchandise that Master Franchisee purchased from Wahlburgers. Master Franchisee will pay all freight charges incurred in shipping these items to Wahlburgers and, except as described below, the purchase price for the Branded Merchandise will be the price paid by Master Franchisee less 10% for handling and restocking costs. Wahlburgers is not obligated to purchase, although it may purchase, that Branded Merchandise that is no longer authorized for sale in Wahlburgers Restaurants or Branded Merchandise that is not in saleable and useable condition (as determined by Wahlburgers). The purchase price for that Branded Merchandise will be separately negotiated. Wahlburgers may deduct from the monies to be paid to Master Franchisee for repurchase of the Branded Merchandise any monies that Master Franchisee owes Wahlburgers.

(c) De-Identification. Master Franchisee will promptly remove all Proprietary Marks from all buildings, signage, letterheads and other materials or property of Master Franchisee and return, and cause each Master Franchisee Affiliate to return, to Wahlburgers all Confidential/Proprietary Information provided by Wahlburgers or its Affiliates, including, without limitation, the Manual. Any Default by Master Franchisee with respect to Master Franchisee's obligations under this Section 19.3(c) will constitute an unconditional and irrevocable appointment of Wahlburgers or its designee to enter onto any property at which Master Franchisee displayed any Proprietary Mark or maintained any Confidential/Proprietary Information without notice to remove the Proprietary Marks and to recover any Confidential/Proprietary Information at Master Franchisee's sole expense. This unconditional and irrevocable appointment will not constitute an obligation on the part of Wahlburgers, but a right that Wahlburgers periodically may exercise. Upon the expiration or earlier termination of this Agreement, whether for cause or otherwise, Master Franchisee will promptly cause, in accordance with the directions of Wahlburgers, the transfer or cancellation of any business name registered to Master Franchisee which includes "Wahlburgers" or any of the Proprietary Marks or otherwise indicates a connection with Wahlburgers.

Master Franchisee unconditionally and irrevocably authorizes and appoints Wahlburgers or its designee to register, renew, transfer, cancel and otherwise deal with any business name which includes any Proprietary Mark and which Master Franchisee must register in order to carry on business in the Development Territory. The Parties agree that Wahlburgers or its designee will attend to and maintain any such registration for and on behalf of Master Franchisee and will transfer or cancel any such registration on expiration or termination of the Agreement Term. Master Franchisee agrees to promptly reimburse Wahlburgers for all registration and renewal fees and costs it incurs in relation to any such registrations. Master Franchisee agrees to do all things necessary to ensure Wahlburgers may deal with any such registrations as provided for in this Section.

(d) Cease Use of the Wahlburgers System and the Confidential/Proprietary Information. From and after the Termination Date, Master Franchisee will not: **(i)** operate or do business, or cause, encourage or authorize any Third Party to operate or do business, under any name or in any manner that might tend to give others the impression that Master Franchisee or such Third Party is connected in any way with Wahlburgers or any Wahlburgers Affiliate or has any right to use the Wahlburgers System or the Proprietary Marks; or **(ii)** use or avail itself, or cause,

encourage or authorize any Third Party to use or avail itself, of any Confidential/Proprietary Information.

19.4 Rights to Subfranchise Agreements. Upon the termination of this Agreement, with respect to each Subfranchise Agreement, Wahlburgers (or its designee) may, in its sole discretion, elect to take an assignment of Master Franchisee's right, title and interest as subfranchisor in some or all of the Subfranchise Agreements in accordance with the applicable Subfranchise Agreement without payment to Master Franchisee. Master Franchisee (and any successor or assignee of Master Franchisee) irrevocably appoints Wahlburgers as its true and lawful attorney with full power and authority to make, execute, sign, acknowledge, deliver, file and record any documents, instruments or agreements necessary to effectuate the assignment of the Subfranchise Agreement(s) and Wahlburgers' exercise of its rights under this Section. Following such assignment, Master Franchisee will deliver to Wahlburgers, with respect to each Subfranchise Agreement assigned, the original of the Subfranchise Agreement and copies of all amendments, addenda, side letters, files, correspondence and memoranda and other materials regarding the applicable Subfranchisee as Wahlburgers may request, including applications, inspection reports and financial information. With respect to those Subfranchise Agreement(s) as to which Wahlburgers elects not to take an assignment, Master Franchisee will be responsible to enforce termination of the applicable Subfranchise Agreement(s) and compliance by the applicable Subfranchisees with their post-termination obligations.

20. RELATIONSHIP OF THE PARTIES

20.1 Independent Contractor. This Agreement does not create or imply between the Parties a fiduciary, representative, employment, commercial agency, joint venture, joint employer, partnership, agency or any other relationship between the Parties other than an arm's-length commercial relationship. Master Franchisee is an independent contractor with entire control and direction of all business contemplated and operated under this Agreement, subject only to the conditions and covenants created pursuant to this Agreement and any Related Agreement.

20.2 No Agency or Representation. Master Franchisee is not and will not hold itself out to be an agent, distributor, legal representative, partner, joint venturer, joint employer or employee of Wahlburgers, any Wahlburgers Affiliate or any Related Person of Wahlburgers. Master Franchisee will have no right or power to, and will not, bind or obligate Wahlburgers, any Wahlburgers Affiliate or any Related Person of Wahlburgers in any way or manner; nor will Master Franchisee represent that it has any right, power or authority to do so.

20.3 Public Statements. In all relevant public records or statements, relationships with Third Parties and letterhead or business forms, Master Franchisee will clearly indicate that Master Franchisee is solely an authorized master franchisee of Wahlburgers. Master Franchisee will not issue any press release or make any public statement relating or referring to Wahlburgers, any Wahlburgers Affiliate, or any Related Person of Wahlburgers, the Wahlburgers System, any Proprietary Mark or any Wahlburgers Restaurant without Wahlburgers' prior written approval.

21. INDEMNIFICATION

21.1 Indemnify, Defend and Hold Harmless. Master Franchisee will at all times fully indemnify, defend (with counsel reasonably acceptable to Wahlburgers) and hold harmless (to the fullest extent permitted by law) each Indemnitee from and against all Losses and Expenses incurred in connection with any Claim by or against such Indemnitee, or any settlement or resolution thereof (whether or not a formal proceeding or action had been instituted) arising out of, or in connection with or in relation to this Agreement, any Related Agreement and Master

Franchisee's activities under this Agreement and each Subfranchise Agreement, excluding any Losses and Expenses arising, wholly or partly, from the gross negligence, willful misconduct or bad faith of Wahlburgers or its Affiliates. The indemnification obligations of this Section will survive the expiration or sooner termination of this Agreement.

21.2 Notice. Master Franchisee promptly will give Wahlburgers written notice of the existence of any such Claim and, on request, provide Wahlburgers with copies of any documents from such matters as Wahlburgers may request.

21.3 Wahlburgers Step-In Rights. At Master Franchisee's expense and risk, Wahlburgers may elect to assume (but under no circumstances will Wahlburgers be obligated to undertake) the prosecution, defense and/or settlement or resolution of any Claim subject to this indemnification provision. Such an undertaking will, in no manner or form, diminish Master Franchisee's obligation to indemnify, defend and hold harmless Wahlburgers or any other Indemnitee. Wahlburgers will not be obligated to seek recoveries from any Third Party or otherwise mitigate Losses and Expenses.

22. APPROVALS AND WAIVERS

22.1 Approvals. Whenever this Agreement requires the approval, agreement, consent or release of Wahlburgers, Master Franchisee will make a timely written request to Wahlburgers for such approval, agreement, consent or release such consent or release note to be unreasonably withheld. To be effective and binding, any purported approval, agreement, consent or release must be recorded in a writing, obtained in advance of each event, action or circumstance that is a subject of the purported approval, agreement, consent or release and signed by a corporate officer of Wahlburgers.

22.2 No Warranty. Wahlburgers does not make or offer any representation or warranty on which Master Franchisee may rely in providing any waiver, approval, recommendation, advice or service to Master Franchisee in connection with this Agreement and assumes no liability or obligation to Master Franchisee therefor, or by reason of any neglect, delay or denial of any request therefor. Wahlburgers, Wahlburgers Affiliates, and Related Persons of Wahlburgers will not, by virtue of any waiver, approval, recommendation, advice or service provided or denied Mastering Franchisee, assume responsibility or liability to Master Franchisee or any Third Party to which Wahlburgers would not otherwise be subject under the terms of this Agreement.

22.3 Waivers. No delay, failure or omission of Wahlburgers in exercising any power granted or reserved to Wahlburgers under this Agreement or in insisting on Full Compliance with any particular obligation(s) or condition(s), and no custom or practice of the Parties at variance with the terms of this Agreement, will constitute a waiver of the rights of Wahlburgers to demand that Master Franchisee be and remain in Full Compliance. If Wahlburgers waives any particular Default, that waiver will not affect or impair the rights of Wahlburgers with respect to any subsequent Default, whether such Default is of the same, similar or different nature than the preceding Default. Nor will any delay, forbearance or omission of Wahlburgers to exercise any power or right arising out of any Default constitute a waiver by Wahlburgers of any right with respect to such Default or affect or impair the right of Wahlburgers to exercise such power or right, to declare any subsequent Default, to terminate this Agreement and/or the Development Term.

23. NOTICES

Notices related to this Agreement will be effective upon receipt (or first rejection) and may be given by any of the following delivery methods: **(a)** certified or registered mail; **(b)** commercial delivery service (e.g., UPS, Federal Express); or **(c)** email (if receipt is verified within 24 hours of transmission). Notices sent by (a) or (b) must be sent **(i)** if to Master Franchisee at the notice address set forth in Appendix B; and **(ii)** if to Wahlburgers addressed to Wahlburgers Franchising LLC, 350 Lincoln Street, Suite 2501, Hingham, MA 02043, United States, Attn: Chief Legal and Administrative Officer. Email notices must be sent to the email address provided by the Party. Either Party can change its notice address by informing the other Party in accordance with this Section.

24. ENTIRE AGREEMENT

This Agreement, the Manual and any documents referred to in, or executed in furtherance of, this Agreement constitute the entire, full and complete agreement between the Parties relating to the matters covered by this Agreement and supersede all prior or contemporaneous negotiations, discussions, letters of intent, term sheet, authorization letters, understandings or agreements relating to matters covered by this Agreement. Other than those set forth in this Agreement, there are no other representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties relating to matters covered by this Agreement. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be imputed to this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either Party unless mutually agreed by the Parties and executed in writing by the Party to be charged.

25. SEVERABILITY AND CONSTRUCTION

25.1 Severability. Each provision of this Agreement, and any portions thereof, will be considered severable.

(a) Material Adverse Effect. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any then-applicable law, rule, regulation or final and non-appealable order or ruling issued by a competent court, agency or tribunal in a proceeding to which Wahlburgers is a party, then to the narrow extent that said portion of this Agreement is invalid, contrary to or in conflict with such law, rule, regulation, ruling or order such portion of this Agreement will be deemed severed without any effect on the balance of this Agreement, which will remain binding on the Parties and continue to be given full force and effect, unless Wahlburgers determines that, after such portion is severed, the rights of Wahlburgers and protections afforded to the Confidential/Proprietary Information, the Proprietary Marks and the goodwill associated therewith in the balance of this Agreement have been materially and adversely affected.

(b) Renegotiation or Termination. In such a case, Wahlburgers may require the renegotiation of this Agreement and/or any Related Agreement with Master Franchisee or, if renegotiation or the result or outcome of renegotiation is unacceptable to Wahlburgers, Wahlburgers may terminate this Agreement and/or any Related Agreement (and deem any such termination a termination from the outset) immediately upon giving notice to Master Franchisee. If Wahlburgers terminates this Agreement pursuant to this Section, Master Franchisee will terminate the Subfranchise Agreements.

25.2 No Third-Party Beneficiaries. Except with regard to the Indemnitees, nothing in this Agreement is intended, nor will be deemed, to confer on any Person other than Master Franchisee, Wahlburgers and Wahlburgers Affiliates any rights or remedies under or by reason of this Agreement.

25.3 Construction. Each Party is sophisticated, accustomed to, experienced and actively engaged in the restaurant business. Each Party has fully participated in, and obtained, or had access to and ample opportunity to obtain, the assistance and advice of appropriate advisors (for example, independent accountants, lawyers and other consultants) in connection with the preparation, negotiation and execution of this Agreement. For these reasons, this Agreement will not be interpreted or construed in favor of or against any Party because: **(a)** a Party is more sophisticated or experienced with the subject matter of this Agreement; or **(b)** of the Party that drafted this Agreement.

25.4 Counterparts, Versions and Signatures. This Agreement may be executed in counterparts, and each counterpart so executed and delivered will be deemed an original. This Agreement, any exhibit hereto and any Related Agreement may be signed using electronic signatures and records, and such signature(s) will have full legal force and effect.

25.5 Captions. All captions, headings and marginal notes in this Agreement are intended solely for the Parties' convenience, and none will be deemed to affect the meaning or construction of any provision of this Agreement.

25.6 Time. Whenever this Agreement refers to a period of days, months or years, the first day, month or year to be counted will be the day, month or year of the designated action, event or notice. If the last day of any such period falls on an official weekend day or official holiday in a Development Territory, the period automatically will be extended to the next day that is not an official weekend day or official holiday in the Development Territory. All time references and periods in this Agreement are according to the Gregorian calendar.

25.7 Travel Costs. Master Franchisee will reimburse Wahlburgers for all costs and expenses that Wahlburgers, its employees or independent contractors incur traveling to and from the Development Territory if the travel was requested by Master Franchisee.

25.8 Wahlburgers' Exercise of Discretion. Whenever Wahlburgers has expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant Master Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Wahlburgers may make such decision or exercise its right and/or discretion on the basis of its judgment of what is in the best interests of the Wahlburgers System without consideration of alternative decisions that may be more favorable to Master Franchisee. This also applies if Wahlburgers is deemed to have a right and/or discretion. Wahlburgers' judgment of what is in the best interests of the Wahlburgers System, at the time its decision is made or its right or discretion is exercised, can be made without regard to whether: **(a)** other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made or taken by Wahlburgers; **(b)** Wahlburgers' decision or the action taken promotes its financial or other individual interest; **(c)** Wahlburgers' decision or the action taken applies differently to Master Franchisee and one or more other franchisees or Wahlburgers company-owned or Affiliate-owned operations; or **(d)** Wahlburgers' decision or the action taken is adverse to Master Franchisee's interests. Wahlburgers will have no liability to Master Franchisee for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Wahlburgers and Master Franchisee agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the

terms of this Agreement and that this Agreement grants Wahlburgers the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Master Franchisee's rights and obligations under this Agreement.

25.9 Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties will be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure will give prompt written notice of the Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Wahlburgers may upon notice to Master Franchisee terminate this Agreement with immediate effect, if Force Majeure affects, prevents, hinders or delays Master Franchisee with respect to the performance of any obligation or obligations under this Agreement for a cumulative total of 180 days or more.

25.10 Compliance with U.S. Laws. Master Franchisee acknowledges that under applicable U.S. law, including, without limitation, the Order, Wahlburgers is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, Master Franchisee represents and warrants to Wahlburgers that, as of the date of this Agreement, neither Master Franchisee nor any person holding any ownership interest in Master Franchisee, controlled by Master Franchisee, or under common control with Master Franchisee is designated under the Order as a person with whom business may not be transacted by Wahlburgers, and that Master Franchisee: **(a)** does not, and hereafter will not, engage in any terrorist activity; **(b)** is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and **(c)** is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

26. ENFORCEMENT PROVISIONS

26.1 Tribal Peacemaking; Arbitration.

(a) Claims Subject to Arbitration. Any Claim between the Parties arising out of or related to this Agreement or the Parties' operations under this Agreement will first be subject to tribal Peacemaking; provided, however, that if this tribal Peacemaking is unable to successfully resolve the dispute through tribal Peacemaking within 30 days from the commencement of the tribal peacemaking process, such Claims will be subject to Arbitration.

(b) Claims for Which Tribal Peacemaking and Arbitration are Not the Sole Remedy. In addition to being subject to tribal Peacemaking and Arbitration under these Enforcement Provisions, the following Claims may be litigated as provided in Section 26.2(b): **(i)** Claims involving the propriety of any termination of this Agreement or the Development Term; **(ii)** Claims involving actual or threatened disclosure or misuse of the Confidential/Proprietary Information; **(iii)** Claims involving the ownership, validity or use of the Proprietary Marks; **(iv)** Claims to enjoin a Transfer alleged to be in violation of Section 16; **(v)** Claims by Wahlburgers to enforce the Non-Competition Obligations or Confidentiality Obligations; or **(vi)** Claims for payments owed to Wahlburgers.

Nothing in this Agreement will impair Wahlburgers' right to seek and obtain, without posting bond, injunctive relief from a court against actual or threatened conduct that may cause

Wahlburgers any loss or damage, including Claims of the type described in Section 26.1(a) according to the usual equity rules (including the applicable rules for obtaining specific performance, restraining orders, preliminary injunctions or declaratory relief), together with such damages as Wahlburgers may have suffered as a result of such conduct. Master Franchisee agrees to pay all costs, including without limitation attorneys' fees, incurred by Wahlburgers in the event that Wahlburgers is successful in obtaining such relief.

(c) **Arbitration Rules and Procedures.** Any Arbitration between the Parties will be conducted pursuant to the AAA Rules, except as the AAA Rules are modified (to the extent permitted by U.S. federal law) by the following:

(i) **Demand and Selection of Arbitrator.** Any demand for Arbitration will be filed with the AAA office nearest to the principal offices of Wahlburgers at the time the demand is filed. The arbitration will be conducted before one arbitrator selected in accordance with the AAA Rules.

(ii) **Location and Language.** The Arbitration will be conducted at a location designated by the arbitrator. The language of the Arbitration will be English.

(iii) **Procedures.** The arbitrator will follow applicable law and judicial precedent. The arbitrator will not entertain or permit any class or consolidated proceeding. The arbitrator will afford the Parties such reasonable discovery as the arbitrator deems appropriate.

(iv) **Distribution of Costs.** The arbitrator's fees will be borne equally by the Parties. All other costs and expenses in connection with the Arbitration will be borne initially by the Party who incurs such expense or who requests a service (such as, without limitation, a transcript of a deposition or of the Arbitration proceeding). At the conclusion of the Arbitration proceeding, all costs and expenses (including, without limitation, attorneys' and accountants' fees) of the prevailing Party will be reimbursed by the Party that does not prevail. If a Party prevails on some but not all issues, the arbitrator will determine the manner in which such costs will be borne.

(v) **Decisions and Awards.** The decision of the arbitrator will be final and binding on the Parties, and the arbitrator's award will be the exclusive remedy between the Parties with respect to all Claims and issues arising out of the transaction(s) or occurrence(s) at issue, whether or not presented or pled to the arbitrator. In addition: **(A)** The arbitrator will have no authority to award consequential, punitive or exemplary damages. **(B)** Any award will be paid promptly, without deduction or offset. Judgment upon the award may be entered by any court of competent jurisdiction. **(C)** If the award is confirmed by a court of competent jurisdiction, a Party challenging the award or resisting enforcement of a judgment entered upon the award will pay, to the extent permitted by law, all costs, attorneys' fees and expenses incurred by the other Party in defending the award or seeking enforcement of the judgment. **(D)** The decision of the arbitrator will have no collateral estoppel effect with respect to a Claim by or against any Person or business entity who is not a Party to the Arbitration.

(vi) **Role of U.S. Law and the New York Convention.** Any issue regarding arbitrability or the enforceability of these Enforcement Provisions will be governed by the U.S. Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and U.S. federal common law regarding arbitration. No state arbitration act or state arbitration rules will apply in or to any Arbitration. The Enforcement Provisions constitute, for purposes of the New York Convention respecting the enforceability of foreign arbitral awards, an agreement to arbitrate all Claims identified in these Enforcement Provisions as being subject to Arbitration.

(vii) Strict Confidentiality. The Parties and their counsel, agents and employees will at all times maintain all aspects of any Arbitration proceeding conducted under these Enforcement Provisions in strict confidence and will make no disclosure of the same except to the limited extent required by law or with the consent of the other Party.

26.2 General.

(a) Choice of Law. This Agreement and any Claim arising out of, in connection with or in relation to, this Agreement, any Related Agreement, the relationship of the Parties or any Default will be governed by and construed in accordance with the laws of the Little River Band of Ottawa Indians and where silent, federal law of the United States, without regard to conflicts of laws principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement and any Claim arising out of, in connection with or in relation to, this Agreement, any Related Agreement, the relationship of the Parties or any Default.

(b) Choice of Forum. With respect to Claims that may be pursued by means other than Arbitration: **(i)** Master Franchisee will file any Claim against Wahlburgers in the federal or state court having jurisdiction in the city, county and state in which Wahlburgers has its principal offices as of the date such suit is filed; and **(ii)** Wahlburgers may file any suit against Master Franchisee: **(A)** in the federal or state court having jurisdiction in the city, county and state in which Wahlburgers has its principal offices as of the date such suit is filed; or **(B)** in any jurisdiction where Master Franchisee resides or does business, where any Subfranchised Restaurant is or was located or where the Claim arose. Master Franchisee hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this Section.

(c) Limitations Period. Unless applicable law provides for a shorter limitations period, any Claim arising from or related to this Agreement (including one relating to the offer and sale of a franchise to Master Franchisee, but excluding Claims by Wahlburgers for payments owed by Master Franchisee under this Agreement, violations of the Non-Competition Obligations and/or infringement of, or conduct that damages, the Proprietary Marks) will be barred unless commenced within 2 years after the initial occurrence of the events or facts giving rise to such Claim regardless of when first discovered.

(d) Waivers. Each Party waives the right to bring, or be a class member in, any class action or class proceeding against the other Party, the right to trial by jury with respect to any Claim against the other Party and the right to consequential, punitive or exemplary damages against the other Party.

(e) Remedies Not Exclusive. Except as otherwise expressly provided in this Agreement, no right or remedy conferred upon or reserved to Wahlburgers or Master Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided or permitted herein or by law or equity, but each will be cumulative of every other right or remedy.

(f) Injunctive Relief. Master Franchisee recognizes that any Default by Master Franchisee is likely to cause irreparable harm to Wahlburgers, the Wahlburgers System, the Wahlburgers Restaurants and the Proprietary Marks. Therefore, Master Franchisee agrees that, in the event of any breach or threatened Default under this Agreement, Wahlburgers will be entitled to injunctive relief (both preliminary and permanent) restraining that Default, to declaratory relief and/or to specific performance. Any equitable remedies sought by Wahlburgers will be in addition to, and not in lieu of, all remedies and rights that Wahlburgers otherwise may have arising under applicable law or by virtue of any Default by Master Franchisee.

(g) Survival of Enforcement Provisions. These Enforcement Provisions will survive the expiration or earlier termination of this Agreement.

27. DATA PROTECTION

27.1 Master Franchisee agrees and undertakes that it will:

(a) Comply with the provisions of all Applicable Data Protection Laws in the use and processing of any Customer Personal Data.

(b) Refrain from otherwise modifying, amending or altering the contents of the Customer Personal Data or disclosing or permitting the disclosure of any of the Customer Personal Data to any third party unless required by applicable law or specifically authorized in writing by us.

(c) Implement and maintain throughout the Term appropriate technical and organizational measures to protect Customer Personal Data against any Data Breach.

(d) Promptly notify Wahlburgers in writing if Master Franchisee suspects there has been a Data Breach, in which event Master Franchisee will do all such acts and things (at Master Franchisee's own expense) as Wahlburgers may require in order to remedy or mitigate the effects of the Data Breach.

(e) Promptly notify Wahlburgers of any complaint, communication or request relating to the Applicable Data Protection Laws.

27.2 To the extent that there are any particular circumstances in which Master Franchisee processes Customer Personal Data as a data processor on Wahlburgers' behalf (including, among other circumstances, for Master Franchisee's reporting obligations), Master Franchisee warrants and undertakes that it will, in addition to the foregoing:

(a) Process the personal data only in accordance with written instructions from Wahlburgers (which may be specific instructions or instructions of a general nature as set out in this Agreement or as otherwise notified by Wahlburgers to Master Franchisee from time to time) and not for Master Franchisee's own purposes. If Master Franchisee is required to process the personal data for any other purpose by any applicable law to which Master Franchisee is subject, Master Franchisee will inform Wahlburgers of this requirement before the processing, unless that law prohibits this on important grounds of public interest.

(b) Notify Wahlburgers immediately if, in its opinion, an instruction for the processing of personal data given by Wahlburgers infringes the Applicable Data Protection Laws.

(c) Refrain from giving access to or transfer any Customer Personal Data to any third party (including any Affiliates or subcontractors) without the prior written consent of Wahlburgers. If Wahlburgers does consent, Master Franchisee must ensure the reliability and competence of the third party, its employees and agents who may have access to the Customer Personal Data and must include in any contract with the third party provisions in favor of Wahlburgers that are equivalent to those in this Section 27 and as are required by the Applicable Data Protection Laws. For the avoidance of doubt, where a third party fails to fulfil its obligations under any sub-processing agreement or any Applicable Data Protection Laws, Master Franchisee will remain fully liable to Wahlburgers for the fulfilment of its obligations under this Agreement.

(d) Ensure that personnel required to access the Customer Personal Data are informed of the confidential nature of the Customer Personal Data and are subject to a binding duty of confidentiality with respect to such data.

(e) In addition to Wahlburgers' audit rights in this Agreement, allow Wahlburgers and its respective auditors or authorized agents to conduct audits or inspections during the Agreement Term for the purposes of verifying that Master Franchisee is processing Customer Personal Data in accordance with its obligations under this Agreement and the Applicable Data Protection Laws, which will include providing access to the premises, resources and personnel of Master Franchisee and any sub-contractors used in connection with this Agreement.

(f) Unless exemptions apply, maintain written records of all categories of processing activities carried out on behalf of Wahlburgers and containing the information prescribed in the Applicable Data Protection Laws.

(g) Appoint a data protection officer if required by any Applicable Data Protection Laws.

27.3 Master Franchisee agrees to execute all such documents as Wahlburgers may require to give effect to the provisions of this Section 27.

27.4 Without limiting the generality of Section 21.1, Master Franchisee hereby agrees and undertakes fully and effectively to indemnify and keep indemnified Wahlburgers as well after as before the expiration or termination of this Agreement from and against all damages losses claims costs demands expenses and liabilities (including all professional fees) that Wahlburgers may at any time incur as a result of any breach of this Section 27 and/or any non-adherence to the information handling section of the Manual for which Master Franchisee is fully or partially responsible.

28. REPRESENTATIONS

Master Franchisee represents and warrants that, as of the Effective Date that Master Franchisee signs this Agreement and at all times during the Agreement Term, the following statements are true and accurate:

28.1 Franchise Law Representations. Master Franchisee represents, warrants and acknowledges to Wahlburgers that: **(a)** **(i)** one or more Original Owners of at least 50% interest in Master Franchisee has at least 24 months' experience being responsible for the financial and operational aspects of a business offering products and services substantially similar to those offered by the franchised business; **(ii)** that experience has occurred within 7 years preceding the Effective Date; and **(iii)** the applicable Original Owners are not controlled by Wahlburgers; **(b)** Master Franchisee (or its parent or any affiliates) is an entity that has been in business for at least 5 years and has a net worth of at least \$6,165,500; and **(c)** Master Franchisee's initial investment is at least \$1,000,000, excluding the cost of unimproved land and any financing received from Wahlburgers or a Wahlburgers Affiliate;. Master Franchisee understands that Wahlburgers has relied upon these representations in making the decision to enter into this Agreement and therefore Master Franchisee hereby agrees to indemnify, defend and hold Wahlburgers and Wahlburgers Affiliates harmless from any Claim arising from or related to any alleged inaccuracy or such representations.

28.2 Rights and Risks. This Agreement involves significant legal and business rights and risks.

(a) Wahlburgers has not guaranteed, and does not to any extent guarantee Master Franchisee's success. Wahlburgers does not guarantee any return on investment or profit to Master Franchisee. Master Franchisee's success with respect to the development and operation of Subfranchised Restaurants depends on Master Franchisee's own effort and Master Franchisee assumes the responsibility for its success as master franchisee.

(b) Master Franchisee: (i) has read this Agreement in its entirety; (ii) has conducted an independent investigation of the business contemplated by this Agreement; (iii) was advised by Wahlburgers, prior to entering into this Agreement, to obtain independent legal, accounting and business advice with respect to this Agreement and Master Franchisee's obligations and Master Franchisee has had reasonable opportunity to obtain that advice; (iv) has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Master Franchisee's choosing; (v) recognizes that the nature of the Wahlburgers System and/or of the business conducted by Wahlburgers Restaurants may change over time; (vi) has had ample opportunity to investigate all representations made by or on behalf of Wahlburgers; and (vii) has had ample opportunity to consult with current and former international franchisees of Wahlburgers.

(c) The prospect for success of the business undertaken by Master Franchisee is speculative and depends to a material extent on Master Franchisee's commitment, capability and direct involvement in the day-to-day management of the business.

(d) At all times, the parties must act in good faith and act reasonably in their dealings. This duty extends to any unforeseen circumstance which might affect the viability of either or both of the business of Wahlburgers or Master Franchisee.

28.3 Authority. The Persons signing this Agreement and all Related Agreements on behalf of Master Franchisee and/or Master Franchisee Affiliates have full authority to enter into this Agreement and/or Related Agreements. Execution of this Agreement or any Related Agreements by Master Franchisee does not and will not conflict or interfere, directly or indirectly, intentionally or otherwise, with the terms of any Related agreement with any Third Party to which Master Franchisee or any Master Franchisee Affiliate is a Party.

28.4 No Express or Implied Warranty. Wahlburgers makes no express or implied warranties or representations that Master Franchisee will achieve any degree of success in the activities undertaken pursuant to this Agreement. Success depends ultimately on Master Franchisee's efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, Master Franchisee's financial condition and competition.

28.5 Quality of Information. All information provided by Master Franchisee or any Master Franchisee Affiliate to Wahlburgers, any Wahlburgers Affiliate, or any Related Person of Wahlburgers in connection with, or in relation to this Agreement or any Related Agreement is true, complete, accurate, authentic and up-to-date.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX A

TABLE OF DEFINED TERMS

Capitalized or defined terms will, wherever they appear in the Agreement or its Appendices, have the meanings given to them in this Table of Defined Terms. Capitalized or defined terms may be used in the Agreement and its Appendices in their various forms (for example, plural and singular, verb, noun, gerund and so forth) as the context permits.

1. **“AAA”** – The American Arbitration Association or its successor.
2. **“AAA Rules”** – The AAA’s then-prevailing Arbitration and Mediation Rules.
3. **“Affiliate”** – Any Person that is an owner, parent or subsidiary of the concerned Person, is under common control with the concerned Person or has an owner or parent that is also an owner or parent of the concerned Person.
4. **“Affiliated Subfranchisee”** – A Third Party that is partially or wholly-owned by Master Franchisee that Wahlburgers has approved and with whom Master Franchisee will enter into a Subfranchise Agreement for the development, opening and operation of a Subfranchised Restaurant in the Development Territory.
5. **“Agreement” or “Master Franchise Agreement”** – As amended periodically, the Wahlburgers International Master Franchise Agreement entered into by Wahlburgers and Master Franchisee, including the Guarantee.
6. **“Agreement Term”** – The period of time beginning on the Effective Date and ending on the expiration or earlier termination of the last remaining Subfranchise Agreement for a Subfranchised Restaurant developed under the Agreement (or Wahlburgers’ assumption of the Subfranchise Agreement(s)).
7. **“Applicable Data Protection Laws”** - All applicable laws, regulations and best practices relating to privacy and data protection.
8. **“Arbitration”** – Final and binding arbitration conducted in strict confidence before the AAA as provided in Section 26.1 of the Agreement.
9. **“Authorized Site”** – A Casino site within the Development Territory at which a Subfranchisee is authorized to develop a Wahlburgers Restaurant pursuant to a Site Acceptance.
10. **“Brand Fund”** – An advertising fund created by Wahlburgers. Brand Fund contributions and any earnings of the Brand Fund may be used for any costs associated with advertising, marketing, public relations, promotional programs and materials (which may be national or regional in scope) and/or any other activities that Wahlburgers believes would benefit the Wahlburgers System, including the following: advertising campaigns in various media; point-of-purchase review of locally-produced ads; free standing inserts; brochures; purchasing and/or developing promotional materials; market research, including secret shoppers; sponsorships; design and maintenance of a web site; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; accounting costs; and holding an annual franchise convention. Wahlburgers will not use the Brand Fund for any activity whose sole purpose is the marketing of franchises; however, Wahlburgers

web site, public relations activities, community involvement activities and other activities that may be supported by the Brand Fund may contain information about franchising opportunities.

11. “Branded Merchandise” -- Merchandise such as clothing, souvenirs and novelty items that bears any of the Proprietary Marks.

12. “Canadian Expansion” – The Option granted to Master Franchisee pursuant to Section 2.6 of the Agreement to expand the Development Territory into one or more Canadian Provinces during the Development Term.

13. “Casino” -- A facility that offers gambling including table games and/or slot machines.

14. “Claim” – Any existing, anticipated or threatened difference, controversy, case, suit, action, proceeding, dispute, demand, cause of action, complaint, defense, affirmative defense, counterclaim, impleader, interpleader, Third Party or derivative claim, class action, investigation, petition for legal, equitable or declarative relief, inquiry, whether formal or informal, or other claim.

15. “Collection Costs and Expenses” – Include, but are not limited to, costs and commissions due to a collection agency, all attorneys' fees (including attorneys' fees for in-house counsel employed by Wahlburgers or Wahlburgers Affiliates and any attorneys' fees incurred by Wahlburgers in bankruptcy proceedings), court costs, expert witness fees, discovery costs and attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

16. “Competitive Business” – Any business, store, restaurant or location: **(a)** whose sales of hamburgers are reasonably likely to account for 10% or more of the food sales of the business in any calendar month; or **(b)** whose method of operation or trade dress is similar to that employed in the Wahlburgers System.

17. “Computer System” - Such data processing equipment, computer hardware and software, required dedicated telephone and power lines, high speed Internet connections, modems, printers, systems (including, without limitation, point of sale systems) and other computer-related or communications accessory or peripheral equipment as may be necessary to operate the Subfranchised Restaurant and provide that information in that format/medium as Wahlburgers reasonably may specify periodically.

18. “Confidentiality Obligations” – The obligations of Master Franchisee under Section 17.2 of the Agreement with respect to any Confidential/Proprietary Information.

19. “Confidential/Proprietary Information” – Any information that is proprietary and/or confidential to Wahlburgers or that pertains to the Wahlburgers System and/or the development, opening or operation of any Wahlburgers Restaurants.

20. “Customer Personal Data” – All personal data, including customer contact information (such as name, telephone numbers, e-mail and postal addresses), and transactional information collected by Subfranchisees from customers and prospective customers of the Subfranchised Restaurants.

21. “Data Breach” – An unauthorized or unlawful processing, access or use and/or accidental loss, destruction, damage, alteration or disclosure.

22. “Default” – Any material lack, interruption or failure of Full Compliance, regardless of cause, duration or notice other than due to Force Majeure.

23. “Development Fee” – The fee to be paid by Master Franchisee to Wahlburgers in accordance with Section 4.1 of the Agreement. The amount (or method of calculating the amount) of the Development Fee is set forth in Appendix B. The Development Fee is fully earned by Wahlburgers when paid, is non-refundable and is not credited against any other fees to be paid to Wahlburgers, except for the \$100,000.00 deposit paid by Master Franchisee prior to the execution of the Agreement.

24. “Development Schedule” – The schedule set forth in Appendix B, which details, among other things:

24.1 The number of Subfranchised Restaurants that must be open for the first time by the applicable Opening Date;

24.2 The cumulative number of Subfranchised Restaurants that must be opened and continuously operated during the Initial Development Term as of the applicable Opening Date; and

24.3 The Opening Date for each Subfranchised Restaurant.

25. “Development Term” – As the context may require, the Initial Development Term or the Renewal Development Term. No Development Term will be automatically renewable, and no Development Term is evergreen or subject to automatic or constructive renewal or extension.

26. “Development Territory” – The geographic area comprised of tribally owned/controlled locations in United States of America (other than Hawaii and Rhode Island), except for the following locations which are specifically excluded from the Development Territory and reserved to Wahlburgers or Wahlburgers Affiliates or third party licensees or franchisees: **(a)** Foxwoods Resort and Casino, Ledyard, CT 06338; **(b)** Mohegan Sun Casino in Uncasville, CT; **(c)** Morongo Casino Resort & Spa, Cabazon, CA 92230; and **(d)** subject to the terms and conditions set forth in Section 2.6 of the Agreement, Canada. Notwithstanding the foregoing, the following states are excluded from the Development Territory until such time as Wahlburgers determines whether this transaction is subject to an applicable franchise disclosure/registration statute and Wahlburgers complies with that law: California; Illinois; Indiana; Maryland, Michigan; Minnesota; New York; North Dakota; South Dakota; Virginia; Washington; and Wisconsin. Wahlburgers will advise Master Franchisee as each state is added to the Development Territory.

27. “Due Date” – 5:00 p.m. on the 10th day after the end of each Fiscal Period or at a later point periodically specified by Wahlburgers.

28. “Effective Date” – The date on which the Agreement first becomes effective, which will be the date that Wahlburgers executes the Agreement.

29. “Enforcement Provisions” – Each term or condition of Section 26 of the Agreement.

30. “Existing Business” – As identified in Appendix B to the Agreement, each Competitive Business: **(a)** in which Master Franchisee has continuously held a direct or indirect, legal or beneficial controlling interest since before the Effective Date; **(b)** that has been in continuous operation since before the Effective Date; and **(c)** that Master Franchisee has timely disclosed in Appendix B.

31. “Fiscal Period” – A calendar week or such other period as Wahlburgers may periodically determine.

32. “Force Majeure” – Any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, pandemic, fire or other catastrophe, act of any government or Third Party and any other cause not within the control of the Party affected thereby (including, without limitation, any act of terrorism). The existence of Force Majeure will not affect Master Franchisee’s obligation to pay Wahlburgers any monies owed to Wahlburgers when due. Master Franchisee’s inability to obtain financing or pay Wahlburgers any monies owed to Wahlburgers (regardless of the reason) will not constitute Force Majeure.

33. “Franchise Marketing Strategy” – A plan developed by Master Franchisee to sell and offer for sale to Subfranchisees licenses to develop, open and operate Subfranchised Restaurants in the Development Territory. The plan will include proposed franchise sales materials and must identify procedures for advertising and soliciting prospective Subfranchisees, promptly responding to requests for information from prospective Subfranchisees, evaluation and qualification of prospective Subfranchisees and proper documentation of the grant of licenses to Subfranchisees.

34. “Franchise Services Program” – A program developed by Master Franchisee to support Subfranchisees, which includes initial and continuing services, identify sources of approved equipment and supplies, set up periodic communications with Subfranchisees and perform periodic inspections of Subfranchised Restaurants to determine compliance with the Subfranchise Agreements.

35. “Full Compliance” – The state or condition of, at all material times, performing in good faith, abiding strictly and exactly by, being current on, not being in breach of and to the extent necessary or appropriate under the circumstances (as determined by Wahlburgers), maintaining sufficient reserves against, all obligations of Master Franchisee that relate in any way to any Wahlburgers Restaurant, the Wahlburgers System, the Master Franchise Agreement or any Related Agreement.

36. “Goods” – Includes all food products, ingredients, spices, seasonings, mixes, beverages, materials and supplies used in the preparation of products other than Proprietary Goods.

37. “Gross Sales” – All revenue from the sale of all services and products (including, but not limited to, Branded Merchandise) and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed, on-premises sales, other sales made or sold, at, in or upon or from the premises of a specific Wahlburgers Restaurant, and any other type of sale) related to a specific Wahlburgers Restaurant, whether for cash or credit and regardless of collection in the case of credit. Gross Sales will not include: **(a)** any bona fide documented sales (but not value added) taxes collected by the applicable Subfranchisee from customers and paid by the applicable Subfranchisee to the appropriate taxing authority; **(b)** the sale of food, beverage or merchandise for which refunds have been made in good faith to customers; **(c)** the sale of equipment used in the operation of the applicable Wahlburgers Restaurant; **(d)** customer promotional discounts authorized by Wahlburgers; and **(e)** employee meal discounts.

38. “Guarantee” – A guarantee in the form prescribed by Wahlburgers, the current form of which is attached as Exhibit 1. Unless modified or waived by Wahlburgers, the execution of, and joint and several Full Compliance with, the Guarantee is required of each Guarantor.

39. “Guarantor” – Each Master Franchisee Owner that has a direct, indirect, legal or beneficial equity interest in Master Franchisee that in the aggregate equals 10% or more of all equity interests in Master Franchisee. Unless modified or waived by Wahlburgers, Master Franchisee will cause each such Person to execute the Guarantee and will further cause each such Person and interest to be identified in Paragraph 7 of Appendix B.

40. “Indemnitee” – Wahlburgers, each Wahlburgers Affiliate and their respective successors, assigns and past and present stockholders, directors, officers, members, managers, employees, agents and representatives.

41. “Initial Development Term” – The period of time that begins on the Effective Date and, unless the Development Term and/or the Agreement is earlier terminated, ends on the earlier of the date on which the last Wahlburgers Restaurant required to be developed under the Development Schedule: **(a)** is required to be opened by the Development Schedule; or **(b)** is actually opened.

42. “Initial Subfranchise Fee” – Each non-refundable fee payable by a Subfranchisee to Master Franchisee before each Subfranchise Agreement becomes effective. The amount of the Initial Subfranchise Fee is set forth in the Subfranchise Agreement and will not exceed \$_____. The portion of the Initial Subfranchise Fee that must be paid to Wahlburgers is stated in Appendix B.

43. “Losses and Expenses” – Includes, but is not limited to: all losses; compensatory, exemplary and punitive damages; fines, charges, costs or expenses; lost profits or rents; reasonable attorneys’ fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to the reputation and goodwill of any Indemnitee; costs of or resulting from delays; financing; costs of advertising material and media time/space of changing, substituting or replacing the same; all expenses of recalls, refunds, compensation or public notices; and other such amounts incurred in connection with the matters described.

44. “Manual” – The set of Confidential/Proprietary Information that Wahlburgers may periodically update, or cause to be updated, in whole or in part, as the manuals for the Wahlburgers System and that will include such information related to the Wahlburgers System, Wahlburgers Restaurants and/or any Proprietary Mark as Wahlburgers may periodically determine.

45. “Master Franchise Transfer Fee” – The non-refundable fee payable by Transferee to Wahlburgers immediately upon any Transfer described in the Agreement if, after the Transfer, Original Owners will own less than a 51% interest in Master Franchisee. The amount, or method of calculating the amount, of the Master Franchise Transfer Fee is set forth in Appendix B. If following the Transfer, at least 51% of all ownership interests in Master Franchisee will be held by Original Owners, the Master Transfer Franchisee Fee will be the actual expenses Wahlburgers incurs in reviewing and consenting to the Transfer.

46. “Master Franchisee Affiliate” – Any Affiliate of Master Franchisee.

47. “Master Franchisee Owner” – Any Person that is an owner or parent of Master Franchisee.

48. “Non-Competition Obligations” – The obligations of Master Franchisee under Section 17.3 of the Agreement.

49. “Opening Date” – The date set forth in Paragraph 4 of Appendix B and the applicable Subfranchise Agreement by or before which the applicable Subfranchised Restaurant must be open to the public for business.

50. “Option” – The exclusive right granted to Master Franchisee to expand its Development Territory, subject to the terms and conditions set forth in Section 2.6.

- 51.** "Order" -- Executive Order 13224, signed on September 23, 2001.
- 52.** "Original Owners" – As disclosed in Appendix B, each: **(a)** Master Franchisee Owner as the Effective Date; and **(b)** Person with any ownership in each Master Franchisee Owner that is an entity as of the Effective Date.
- 53.** "Party" – A Person that is a Party to the Agreement.
- 54.** "Person" – Any natural person, regardless of whether such person uses or acts through one or more doing-business forms; or any juridical person (that is, any business entity, association, organization or other doing-business form other than an individual natural person, whether or not incorporated).
- 55.** "Plans and Specs" – The architectural, engineering and other plans, specifications, designs and drawings (including without limitation any attachments, exhibits, appendices, addenda, amendments or "as built" or other revisions thereto) for the development, construction, equipping, furnishing, renovation and/or other preparation of a Wahlburgers Restaurant, which plans, specifications, designs or drawings must individually and collectively be: **(a)** based on Wahlburgers-approved general or prototypical plans, specifications, designs or drawings for a Wahlburgers Restaurant; **(b)** customized to the satisfaction of Wahlburgers at the sole expense of Master Franchisee or Subfranchisee for use in connection with a Wahlburgers Restaurant; **(c)** amended or revised only upon Wahlburgers' approval; and **(d)** otherwise in Full Compliance with the Manual. Notwithstanding anything to the contrary in the Agreement, equipment may be sourced locally provided it meets Wahlburgers specifications.
- 56.** "Proprietary Goods" – Goods, food products, ingredients, mixes, beverages, materials and supplies that are prepared by or for Wahlburgers according to Wahlburgers proprietary special recipes and formulas for use in connection with Wahlburgers Restaurants and such other uses that Wahlburgers may periodically designate.
- 57.** "Proprietary Marks" – The trade names, service marks, trademarks, trade dress, logos, insignias, images, slogans, emblems, symbols and designs, including "Wahlburgers," that have been designated or may in the future be designated for use with the Wahlburgers System and that Wahlburgers may periodically authorize Master Franchisee to use and/or license Subfranchisees to use in connection with the operation of Wahlburgers Restaurants in the Development Territory.
- 58.** "Related Agreement" – Each agreement other than the Master Franchise Agreement between Master Franchisee and/or any Master Franchisee Affiliate, on the one hand, and Wahlburgers and/or any Wahlburgers Affiliate or Related Person of Wahlburgers, on the other hand, that relates in any way to the Master Franchise Agreement, any Subfranchise Agreement, any Site Acceptance Request, any Site Acceptance, any Subfranchised Restaurant, any Wahlburgers Restaurant, the Wahlburgers System, any Proprietary Mark, Wahlburgers, any Wahlburgers Affiliate or any Related Person of Wahlburgers and/or the relationship of the Parties.
- 59.** "Related Person" – Any of the following:

59.1 Any Person that is a director, officer, agent, representative, attorney-in-fact, or employee, or shareholder, member, limited or general partner or other owner or Affiliate acting for or on behalf, of the concerned Person; or

59.2 Any Person who is an immediate family member or close relation of the concerned Person, including without limitation any spouse; natural, step or adopted child or grandchild; legal dependent; guardian or natural, step or adoptive parent; natural, step, fractional or adoptive sibling; in-law; family trust or family limited partnership; or the like.

60. “Restaurant Manager” – For each Subfranchised Restaurant developed under the Agreement, any Person designated by Subfranchisee and approved by Wahlburgers to manage the day-to-day business and affairs of that restaurant, whether in the capacity as a restaurant general manager, restaurant manager or assistant restaurant manager, provided that such Person has successfully completed (as determined by Wahlburgers in its sole discretion) all training required by Wahlburgers.

61. “Site Acceptance” – A written, formal acceptance issued by Wahlburgers authorizing a Subfranchisee to develop a Wahlburgers Restaurant at the Authorized Site pursuant to the terms and conditions of the Agreement.

62. “Site Acceptance Request” – A written request submitted by Master Franchisee to Wahlburgers for Site Acceptance.

63. “Social Media” – Any form of electronic communications, including Internet web sites, social networking sites, applications or other future technological avenues that enable users to create and share content or to participate in social networking.

64. “Subfranchise Agreement” – An agreement in the form prescribed by Wahlburgers under which Master Franchisee grants the applicable Subfranchisee the right to: **(a)** develop, open and operate a Subfranchised Restaurant; and **(b)** use the Wahlburgers System in connection with the opening and operation of a Subfranchised Restaurant.

65. “Subfranchised Restaurant” – A Wahlburgers Restaurant opened or operated by a Subfranchisee pursuant to a Subfranchise Agreement.

66. “Subfranchisee” – The collective of Unaffiliated Subfranchisees and Affiliated Subfranchisees.

67. “Subfranchise Royalty Fee” – With respect to each Subfranchised Restaurant, the recurring non-refundable fee payable on a continuing basis by Master Franchisee to Wahlburgers under Section 4 of the Agreement in consideration for the use of, and the privilege of using, the Proprietary Marks and the Confidential/Proprietary Information in connection with the Subfranchised Restaurant. The amount, or method of calculating the amount, of the Subfranchise Royalty Fee is set forth in Appendix B.

68. “Termination Date” – The date on which the Agreement is terminated or expires according to its terms.

69. “Third Party” – Any Person that is not a Party.

70. “Trainers” – Persons hired by Master Franchisee to conduct training programs.

71. “Training Facility” – A facility developed by Master Franchisee in the Development Territory at which Master Franchisee will provide training to employees of Master Franchisee and Subfranchisees as required by Wahlburgers.

72. “Transfer” – Any voluntary or involuntary sale, assignment, subfranchise, delegation, novation, conveyance, gift, donation, devise, bequest, placement in trust, placement in escrow, pledge, acquisition, merger, reorganization, public offering, exempt offering or private placement or other transfer, whether inter vivos, testamentary, intestate or otherwise, whether by operation of law or otherwise, that: **(a)** is in favor of any Person other than the Parties; **(b)** relates to any direct or indirect interest or part of any direct or indirect interest **(i)** in Master Franchisee, **(ii)** in any Master Franchisee Owner; **(iii)** in any Person with a direct or indirect ownership interest in a Master Franchisee Owner; **(iv)** of Master Franchisee under, or in connection with, the Agreement, any Related Agreement, any Subfranchise Agreement or any Subfranchised Restaurant, or **(v)** in any assets relating to the operations or performance of Master Franchisee under or in connection with the Agreement, any Related Agreement or any Subfranchise Agreement; and **(c)** is effected by or for **(i)** Master Franchisee or any immediate or remote successor of Master Franchisee to any interest or part of any interest of Master Franchisee under or in connection with the Agreement; **(ii)** any Master Franchisee Affiliate; **(iii)** any Master Franchisee Owner; or **(iv)** any Person with an ownership interest in a Master Franchisee Owner. A Transfer does not include the creation of an interest in inventory or accounts receivable as security for borrowing to finance the development, opening or operation of any Wahlburgers Restaurant under the Agreement in the ordinary course of business.

73. “Transferee” – Any Person in whose favor or for whose benefit a Transfer is, or proposed Transfer may be, effected.

74. “U.S.” – United States of America.

75. “U.S. Dollars” or “\$” – United States Dollars.

76. “Unaffiliated Subfranchisee” – A Third Party that is not owned directly or indirectly by Master Franchisee that Wahlburgers has approved and with whom Master Franchisee will enter into a Subfranchise Agreement for the development, opening and operation of a Subfranchised Restaurant in the Development Territory.

77. “Wahlburgers Restaurant” – A restaurant that is primarily identified by the Proprietary Marks and that is developed, opened and operated using the Wahlburgers System.

78. “Wahlburgers System” – The unique, distinctive and proprietary system for developing, opening and operating Wahlburgers Restaurants, which is distinguished by and consists of, among other things, uniform and distinctive building designs, interior and exterior layout and trade dress; the Proprietary Marks; the Proprietary Goods; products sold under the Proprietary Marks; any Plans and Specs; standards and specifications for equipment, equipment layouts, supplies and menus (including food and beverage products and designations, special recipes and quality and quantity standards); the Manual; operating procedures for sanitation, maintenance, and food and beverage storage, preparation and service; and methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, purchasing, sales promotion and advertising; and the Confidential/Proprietary Information. Wahlburgers may periodically update, change, improve, modify or replace in whole or in part the Wahlburgers System.

79. “Website” – Any point or points of presence on the Internet or on any other public data network, including without limitation all: **(a)** content (for example, without limitation, branding, identity system, name, logo, text, information, still or animated image, graphics, splash presentation, functionality, software, executable code, cookie or application, sound, video, audio or video stream, data, link, hyperlink, download button, download page, metatag, ticker or other similar item or characteristic) found or available on such point or points of presence; **(b)** HTML,

SHTML, XHTML or other pages or units of information found or available on such point or points of presence in any relevant data protocol that either: **(i)** are identified by the same second-level domain name or by the same or equivalent level identifier in any relevant address scheme; or **(ii)** have content that a user might reasonably conclude are part of an integrated or systematic information, product or service offering; **(c)** servers used to facilitate or make available such content or such pages or units of information found or available on such point or points of presence; and **(d)** raw or processed, collective or individual information or data about Persons using or visiting, or servers or computers accessing, such servers or such point or points of presence (for example, but without limitation, user demographics, tracked user behavior data, psychographic data, customer lists, purchase habits or trends, usage trends, traffic patterns, machine addresses, identifying characteristics, registration information, mailing addresses, email addresses, personal preferences, survey responses, income information or other user or visitor information, data or statistics).

APPENDIX B
DEVELOPMENT INFORMATION

1. **Development Fee.** The Development Fee is \$1,000,000.
2. **Master Franchise Transfer Fee.** The amount of the Master Franchise Transfer Fee will be \$15,000.
3. **Fees Owed to Wahlburgers For Each Subfranchised Restaurant.**

Fee	Amount or Method of Calculation	Payment Due and Payable
Subfranchised Restaurant Fee	The greater of \$30,000 or 50% of the Initial Subfranchise Fee charged for a Subfranchised Restaurant	Upon execution of a Subfranchise Agreement
Subfranchise Royalty Fee	3% of Gross Sales for the relevant Fiscal Period	No later than 10 days after the relevant Fiscal Period
Subfranchise Brand Fund	0.50% of Gross Sales for the relevant Fiscal Period	No later than 10 days after the relevant Fiscal Period

4. **Development Schedule.**

A. During the Initial Development Term, Master Franchisee is required to ensure compliance with the following Development Schedule:

Development Year	Opening Date Deadline	New Subfranchised Restaurants to be Opened in Development Year	Cumulative Number of Subfranchised Restaurants To Be Open and Operating by the Opening Date
1	July 31, 2022	1	1
2	July 31, 2023	3	4
3	July 31, 2024	3	7
4	July 31, 2025	5	12
5	July 31, 2026	5	17
6	July 31, 2027	5	22
7	July 31, 2028	5	27
8	July 31, 2029	3	30

5. **Master Franchisee's Notice Address.** The following are Master Franchisee's mailing and email addresses and telephone number: _____

6. Master Franchisee's Existing Businesses. Master Franchisee represents and warrants that the following are the only Existing Businesses:

Name of Business	Description of Business

7. Original Owners. Master Franchisee represents and warrants that the following are all of the Original Owners:

Name	Address, Telephone Number, Email	Extent (Stated as a Percentage) of Interest

EXHIBIT 1
GUARANTEE

BY THESE PRESENTS, each undersigned Person (individually, "Guarantor" and, collectively, "Guarantors") has, effective _____, executed this Guarantee ("Guarantee"), which is made for the benefit of Wahlburgers Franchising LLC ("Wahlburgers"), in consideration, and as a material inducement to Wahlburgers in respect of the execution and performance by Wahlburgers, of the foregoing Wahlburgers Master Franchise Agreement ("Master Franchise Agreement") by _____ and between _____ Wahlburgers and _____ ("Master Franchisee").

NOW THEREFORE, each Guarantor agrees jointly and severally, irrevocably and unconditionally, collectively to abide and be bound: **(A)** during the Agreement Term and thereafter for so long as any provision of the Master Franchise Agreement survives or Master Franchisee has any financial obligations to Wahlburgers, any Wahlburgers Affiliate or any Related Person of Wahlburgers under the Master Franchise Agreement or any Related Agreement; and **(B)** with respect to the Confidentiality Obligations and the Non-Competition Obligations, for the period set forth in Section 17.3(b) of the Master Franchise Agreement, which will commence after the termination of the Master Franchise Agreement, or Wahlburgers' release of that Guarantor from this Guarantee, whichever happens first, as follows:

1. DEFINED TERMS

Except as otherwise provided herein, all capitalized or defined terms in this Guarantee have the meanings ascribed to them in the Master Franchise Agreement.

2. ACKNOWLEDGMENT

Each Guarantor has and will remain under a continuing obligation to have read, understood and discussed or had or taken the opportunity to discuss with its own advisers and consultants (financial, legal, technical and otherwise) this Guarantee, the Master Franchise Agreement and any other Related Agreement in its or their entirety.

3. GUARANTEE

Each Guarantor guarantees and assumes liability to Wahlburgers, and its successors and assigns, for all financial and other obligations and covenants of Master Franchisee under the Master Franchise Agreement, and any other Related Agreement, and, without limiting the generality of this Guarantee, will see to it and cause Master Franchisee to punctually pay and perform each such obligation and covenant, and otherwise remain in Full Compliance. Without limiting the generality of the foregoing, each Guarantor agrees that: **(A)** Guarantor will pay or perform as required under the Master Franchise Agreement or any other Related Agreement if Master Franchisee fails or refuses punctually to do so; **(B)** the liability of Guarantor under this Guarantee is direct and immediate, and joint and several; **(C)** such liability will not be contingent or conditioned on pursuit by Wahlburgers of any remedies against Master Franchisee or any other Person; **(D)** such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Wahlburgers may periodically grant to Master Franchisee or to any other Person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any Claims, none of which will in any way modify or amend this Guarantee; **(E)** any monies received from any source by Wahlburgers for application

toward payment of the obligations under the Master Franchise Agreement and under this Guarantee may be applied in any manner or order as Wahlburgers may periodically determine; **(F)** Guarantor will be bound by and will perform the Confidentiality Obligations and the Non-Competition Obligations and will regard those obligations and covenants as obligations and covenants of Guarantor; and **(G)** if any Guarantor for any reason ceases to own any interest in Master Franchisee before termination or expiration of the Master Franchise Agreement, all obligations of that Guarantor under this Guarantee will remain in force and effect, except to any extent Wahlburgers expressly releases in writing that Guarantor from this Guarantee. Notwithstanding any such release: **(i)** the obligations of Guarantor hereunder will remain in force and effect for 2 consecutive years immediately following any such release with respect to the Confidentiality Obligations and the Non-Competition Obligations; and **(ii)** such release will not affect the obligations of any other Guarantors hereunder.

4. RELEASE

Each Guarantor releases and waives: **(A)** acceptance and notice of acceptance by Wahlburgers of the foregoing undertakings; **(B)** payment of any independent consideration by Wahlburgers to any Guarantor in exchange for this Guarantee; **(C)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(D)** protest and notice of Default to any Person with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; **(E)** any right or Claim to require that an action be brought against Master Franchisee or any other Person as a condition of liability hereunder; **(F)** any right or Claim to payments and Claims for reimbursement or subrogation which any Guarantor may have against Master Franchisee arising under, or in connection with or relation to, the execution and performance of this Guarantee by any Guarantor; **(G)** any law or statute which requires that Wahlburgers make demand on, assert Claims against or collect from Master Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any action against Master Franchisee or any others before making any demand on, collecting from or taking any action against any Guarantor under this Guarantee; and **(H)** all other notices and legal, equitable or other defenses to which Guarantor may be entitled with respect to this Guarantee.

5. ENFORCEMENT

The Enforcement Provisions will govern this Guarantee as if fully incorporated herein, substituting the term "Guarantor" for the term "Master Franchisee." Without limiting any Enforcement Provision as applied to this Guarantee, if Wahlburgers utilizes legal counsel in connection with any failure by any Guarantor to comply with this Guarantee, that Guarantor will reimburse Wahlburgers for any of the costs and expenses that Wahlburgers may incur.

6. DEFAULT

Each Guarantor will be in Default under this Guarantee, if any of the following events occur: **(A)** any Guarantor fails to pay or perform any obligation under this Guarantee in a timely fashion; **(B)** any breach occurs with respect to any agreement or representation contained or referred to in this Guarantee; or **(C)** a suitable replacement Guarantor is not named within 60 days after any Guarantor **(i)** dies, is dissolved or ceases to exist, **(ii)** loses competency or has a guardian appointed, **(iii)** becomes insolvent or unable to pay its creditors (including without limitation Wahlburgers or Wahlburgers Affiliates), **(iv)** files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization, **(v)** has filed against it a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing, **(vi)** makes an assignment for the benefit of creditors, **(vii)** has any receiver or trustee appointed over it that is not dismissed within 60 days of appointment or **(viii)** has any execution levied against its business, property or assets, to the extent such execution materially affects the ability of that Guarantor to meet its obligations hereunder.

If a Default occurs, all obligations of each Guarantor to Wahlburgers will be considered due and payable immediately and without notice. Upon the death of a Guarantor, the estate will be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

7. ASSIGNMENT

This Guarantee will inure to the benefit of and be binding on the Parties and their respective heirs, legal representatives, successors and assigns. Wahlburgers may freely assign its interests and rights, title and benefit in and to this Guarantee, in whole or in part, without the prior written consent of any Guarantor. No assignment by Wahlburgers will release any Guarantor from this Guarantee. No Guarantor may assign or delegate any right or obligation to any other Person without the approval of Wahlburgers. No right of action will accrue to any third Party under this Guarantee other than Wahlburgers and its successors, assigns, receivers or administrators.

8. MISCELLANEOUS

No Guarantor will in any way be released or discharged from any liability under this Guarantee by: **(A)** any invalidity, illegality or unenforceability of the Master Franchise Agreement or any Related Agreement; **(B)** any alteration or amendment of, or variation to, the Master Franchise Agreement or any Related Agreement; **(C)** any allowance of time by Wahlburgers under the Master Franchise Agreement or any Related Agreement; **(D)** any forbearance or forgiveness or indulgence in respect of any matter or thing on the part of Wahlburgers concerning the Master Franchise Agreement or any Related Agreement; **(E)** the insolvency, bankruptcy, winding up or reorganization of Master Franchisee (or any analogous event or the exercise of any power of disclaimer arising in such circumstances); or **(F)** any dispute or disagreement between Wahlburgers and Master Franchisee under or in relation to the Master Franchise Agreement or any Related Agreement. If at any time any one or more of the provisions of this Guarantee is or becomes illegal, invalid or otherwise unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions of this Guarantee, nor the legality, validity or enforceability of such provision, under the law will in any way be affected or impaired as a result.

IN WITNESS WHEREOF, each Guarantor has signed, sealed and delivered this Guarantee as a deed.

GUARANTOR:

Print Name: _____
Address: _____

Date: _____

GUARANTOR:

Print Name: _____
Address: _____

Date: _____

WITNESS:

Print Name: _____
Address: _____

WITNESS:

Print Name: _____
Address: _____

EXHIBIT 2
FORM OF SUBFRANCHISE AGREEMENT

**WAHLBURGERS RESTAURANT
SUBFRANCHISE AGREEMENT FOR A TRIBAL CASINO LOCATION**

Subfranchisee

Effective Date

Casino

Subfranchised Location

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Exhibit A – Subfranchise Information

Exhibit B – Special Rights of Wahlburgers

Exhibit C – Guarantee and Assumption of Franchisee's Obligations

**WAHLBURGERS RESTAURANT
SUBFRANCHISE AGREEMENT FOR A TRIBAL CASINO LOCATION**

This Subfranchise Agreement ("Agreement") is made as of _____ ("Effective Date") by and between _____ ("Master Franchisee", "we", "us" or "our"), a _____ organized under the laws of _____, with its principal offices at _____, and _____ ("Subfranchisee" or "you" or "your"), a _____ organized under the laws of _____, with its principal offices at _____.

RECITALS

Wahlburgers Franchising LLC ("Wahlburgers"), a limited liability company formed under the laws of the Commonwealth of Massachusetts, with its principal offices at 350 Lincoln Street, Suite 2501, Hingham, MA 02043 and its affiliates have developed a distinctive format, appearance and set of specifications and operating procedures (collectively, "System") relating to the development, establishment and operation of restaurants identified by the Proprietary Marks, as defined below, ("Wahlburgers Restaurants") that feature high quality gourmet hamburgers and certain ancillary branded merchandise such as clothing, souvenirs and novelty items ("Branded Merchandise").

The distinguishing characteristics of the System include, but are not limited to, Wahlburgers' décor, layout, color schemes and designs (collectively, "Trade Dress"); Wahlburgers' menu items, recipes and food preparation and service techniques; Wahlburgers' standards and specifications for equipment, equipment layouts and interior and exterior accessories; and the accumulated experience reflected in Wahlburgers' training program, operating procedures and standards and specifications. Wahlburgers may periodically change, improve, add to and further develop the elements of the System.

The System is identified by means of the "Wahlburgers" name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs that have been designated, or may in the future be designated, for use with the System (collectively, "Proprietary Marks"). Wahlburgers has the exclusive right to use, and permit Wahlburgers franchisees and subfranchisees to use, the Proprietary Marks. Wahlburgers may modify the Proprietary Marks used to identify the System, including the principal Proprietary Marks.

Pursuant to a Master Franchise Agreement dated as of _____, 2021 between Wahlburgers and us, Wahlburgers has, among other things, authorized us to license third parties to use the Wahlburgers System in connection with the opening and operation of Wahlburgers Restaurants in particular areas.

You desire to obtain from us a license to use the System in connection with the development and operation of a franchised Wahlburgers Restaurant ("Subfranchised Restaurant") in the casino identified in attached Exhibit A ("Casino") at the specific location identified in Exhibit A ("Subfranchised Location").

You understand and acknowledge the importance of Wahlburgers' high and uniform standards of quality, operations and service and the necessity of developing and operating the Subfranchised Restaurant in strict conformity with this Agreement and the confidential operating manuals ("Manual").

We are willing to grant you a subfranchise to use the System and Proprietary Marks in connection with the development and operation of a Subfranchised Restaurant at the Subfranchised Location, subject to the terms and conditions of this Agreement.

NOW THEREFORE, the parties agree as follows:

1 GRANT OF SUBFRANCHISE

1.1 Grant.

1.1.1 Subject to the terms and conditions of this Agreement, we hereby grant to you a non-exclusive subfranchise for the right, and you accept and undertake the obligation, to use the Proprietary Marks and the System to continuously operate the Subfranchised Restaurant at the Subfranchised Location during the term of this Agreement ("Term"). The Subfranchised Restaurant will be operated in the format specified in Exhibit A.

1.1.2 This Agreement is subject in its entirety to the Special Rights of Wahlburgers as set forth in the attached Exhibit B.

1.1.3 You may not establish or operate any Wahlburgers Restaurant other than the Subfranchised Restaurant at the Subfranchised Location in connection with this Agreement. You may not use the Proprietary Marks or the System at any location other than the Subfranchised Location. You may not relocate the Subfranchised Restaurant without our prior written consent, which we may withhold in our sole discretion. We have the right to require you to pay a reasonable fee, plus our reasonable expenses incurred in connection with consideration of your relocation request.

1.1.4 You agree that you will, at all times, faithfully, honestly and diligently perform your obligations under this Agreement, that you will continuously exert your best efforts to promote and enhance the business of the Subfranchised Restaurant and that you will not engage in any other business or activity that may conflict with your obligations under this Agreement, except the operation of other Wahlburgers Restaurants or other businesses that you operate and that are franchised by us. Without our prior written consent, you may not use the Proprietary Marks or the System or sell our proprietary food and beverage products or Branded Merchandise in any wholesale, e-commerce or other channel of distribution besides the retail operation of the Subfranchised Restaurant at the Subfranchised Location.

1.1.5 Wahlburgers and we have entered, and may continue to enter, into agreements with other franchisees and subfranchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Wahlburgers, we and other franchisees and subfranchisees may have different rights and obligations does not affect your duties to comply with the terms of this Agreement.

1.2 Limited Exclusivity.

1.2.1 During the Term, neither we nor Wahlburgers will operate, or license a third party to operate, a Wahlburgers Restaurant in the Casino. Nothing in this Agreement prohibits Wahlburgers and its affiliates (and to the extent we obtain the right from Wahlburgers, we and our affiliates) from, among other things: **(a)** operating or licensing others to operate, during the Term, Wahlburgers Restaurants at any location other than in the Casino; **(b)** operating or licensing others to operate, after this Agreement terminates or expires, Wahlburgers Restaurants at any location,

including in the Casino; **(c)** manufacturing, distributing and selling, or causing to be manufactured, distributed and sold, food, goods, wares, merchandise, services, products and Branded Merchandise, whether or not authorized for sale at Wahlburgers Restaurants, under the Proprietary Marks or other trademarks, service marks, logos or commercial symbols, at wholesale or retail, at any location through any channel of distribution, including, but not limited to, mail order and catalog, direct mail advertising, the Internet and other methods of distribution, regardless of the proximity to the Subfranchised Restaurant; **(d)** developing and owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and/or **(e)** purchasing, being purchased by, merging or combining with, businesses that directly compete with Wahlburgers Restaurants. Wahlburgers and its affiliates (and to the extent we obtain the right from Wahlburgers, we and our affiliates) reserve all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement.

1.2.2 This Section 1.2 does not prohibit Wahlburgers or us from, among other things: **(a)** operating or licensing others to operate, during the Term, Wahlburgers Restaurants at any location other than in the Casino; and **(b)** operating or licensing others to operate, after this Agreement terminates or expires, Wahlburgers Restaurants at any location, including in the Casino and at the Subfranchised Location. Wahlburgers and its affiliates (and to the extent we obtain the right from Wahlburgers, we and our affiliates) reserve all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement.

2 TERM; SUCCESSOR FRANCHISE TERM

2.1 Term. The Term begins on the Effective Date and will be coterminous with the initial term of your foodservice contract or lease with the Casino, unless terminated at an earlier date. Notwithstanding the foregoing, this Agreement will automatically terminate if your foodservice contract or lease with the Casino terminates or expires without renewal. In addition, you may terminate this Agreement following 60 days' written notice to us if your client at the Casino instructs you in writing to cease operating the Subfranchised Restaurant (provided you have exercised your best efforts to arrange a meeting between your client and us, if we so elect, to discuss the continued operation of the Subfranchised Restaurant). If your foodservice contract or lease with the Casino permits your client to take this action on shorter notice, the notice period provided in that contract will govern, provided you have given us a copy of the relevant contract provision.

2.2 Successor Franchise Term. When this Agreement expires, you will have the option to obtain a successor franchise term equal to the renewal term of your foodservice contract or lease with the Casino. You must give us written notice of your desire to exercise your option not more than 6 months and not less than 3 months before the end of the Term. We may require you to satisfy any or all of the following as a condition of exercising your option for the successor franchise term:

2.2.1 You must execute the standard form of Wahlburgers Restaurant Subfranchise Agreement that Wahlburgers and we are then using for casino locations ("Successor Subfranchise Agreement"). The terms of the Successor Franchise Agreement may be substantially different from the terms of this Agreement. We will modify the Successor Franchise Agreement to delete terms inapplicable to the successor term (such as opening requirements).

2.2.2 During the Term, you have substantially complied with this Agreement and the System.

2.2.3 Neither you nor your affiliates are in default under this Agreement or any other agreements between you or your affiliates and us or our affiliates; you and your affiliates must not be in default beyond the applicable cure period under any contract or lease for the Casino or equipment lease or financing instrument relating to the Subfranchised Restaurant; and you must not be in default beyond the applicable cure period with any vendor or supplier to the Subfranchised Restaurant.

2.2.4 You must renovate and modernize the Subfranchised Restaurant to reflect the then-current image of Wahlburgers Restaurants.

2.2.5 You, all 10% Owners (as defined in Section 12.3) and all guarantors under this Agreement must sign a general release, in a form we prescribe, of any and all claims against us, our affiliates and our past, present and future officers, directors, members, managers, shareholders and employees arising out of or relating to the Subfranchised Restaurant.

2.2.6 You, your Operating Principal (as defined in Section 10.9.3) and those of your employees designated by us must successfully complete (as determined by us in our sole discretion) any additional training courses that Wahlburgers and/or we then require.

2.2.7 You must pay us a renewal fee in the amount set forth in Exhibit A.

3 CONSTRUCTION OF FRANCHISED RESTAURANT

3.1 Restaurant Development.

3.1.1 You assume all cost, liability and expense for developing, constructing and equipping the Subfranchised Restaurant. We will provide you prototypical plans and specifications for a Wahlburgers Restaurant, which you must adapt, at your cost, to suit the shape and dimensions of the Subfranchised Location, and you must ensure that your proposed plans for the Subfranchised Restaurant ("Plans") comply with all applicable ordinances, building codes and permit requirements, lease requirements and restrictions and the Americans with Disabilities Act. You must use only registered architects, engineers and professional and licensed contractors, each of whom must be approved by us. You must submit the Plans to us and revise the Plans as we require. Once we consent to the Plans, you may not change them unless you again obtain our consent. You may not submit the Plans to your local government agency or begin site preparation or construction before we have notified you, in writing, that we have consented to the Plans. You may not commence construction until you have obtained all required permits and licenses. We have no obligation to visit the Subfranchised Location during the course of construction, but if we choose to do so, you must (and require your architect, engineer, contractors and subcontractors to) cooperate fully with us and our representatives.

3.1.2 You acknowledge that you, and not we, will be constructing the Subfranchised Restaurant and that you will have the ability to keep track of the construction on a regular basis. We make no representation or warranty regarding the construction of the Subfranchised Restaurant or compliance with those laws, ordinances and/or regulations that may be applicable to the Subfranchised Restaurant, the Plans and your construction of the Subfranchised Restaurant.

3.2 Right to Open the Subfranchised Restaurant. We will not authorize the opening of the Subfranchised Restaurant unless all of the following conditions have been met:

3.2.1 We have approved the Casino at which you will operate, as well as the specific location within the Casino at which the Subfranchised Restaurant will be located.

3.2.2 You have provided us a fully-executed copy of your lease or foodservice contract with the Casino and you have obtained our consent to that lease or foodservice contract.

3.2.3 You are not in material default under this Agreement; you and your affiliates are not in material default of any other agreements with us; you and your affiliates are not in default beyond the applicable cure period under any equipment lease or financing instrument relating to the Subfranchised Restaurant; and you are not in default beyond the applicable cure period with any vendor or supplier to the Subfranchised Restaurant.

3.2.4 You and your 10% Owners are current on all obligations due to us and our affiliates.

3.2.5 We are satisfied that the Subfranchised Restaurant was constructed substantially in accordance with the Plans accepted by us, this Agreement and state and local codes and that you have hired and trained a staff as required by this Agreement and the System.

3.2.6 You have obtained a certificate of occupancy and all other required building, utility, sign, health, safety, fire department, sanitation, business and liquor permits and licenses.

3.2.7 You have certified to us, in writing, that all furnishings, fixtures, equipment, signage, computer terminals, artwork/wall graphics and related equipment, supplies and other items are in place.

3.2.8 You have certified to us, in writing, that all furnishings, fixtures, equipment, signage, computer terminals, artwork/wall graphics and related equipment, supplies, other items and the color scheme in the Subfranchised Restaurant conform to our specifications.

3.2.9 You (or your Operating Principal) and those of your employees designated by us have attended and successfully completed (as determined by us in our sole discretion) the ITP (as defined in Section 7.1.1).

3.2.10 You have provided us with copies of all insurance policies required by Section 10.10 or other evidence of insurance coverage and payment of premiums as we may reasonably request.

4 FEES

4.1 Initial Franchise Fee. No later than the date you sign this Agreement, you must pay us an initial franchise fee in the amount of set forth in Exhibit A ("Initial Franchise Fee"), less any unapplied application fee paid by you to us. You acknowledge and agree that the Initial Franchise Fee is fully earned by us when paid and is not refundable.

4.2 Royalty Fee.

4.2.1 In addition to all other amounts that you will pay to us, you must pay to us a nonrefundable royalty fee ("Royalty") in an amount equal to ____% of your Fiscal Period Gross Sales (as defined below). As of the date of this Agreement, each Fiscal Period is a calendar week. We have the right, following written notice to you, to vary the time period that comprises each Fiscal Period. If, due to applicable law, you may not pay a Royalty on alcoholic beverage sales,

you will pay us a Royalty on all Gross Sales (except alcoholic beverage sales) in the same dollar amount as would have been paid if alcoholic beverage sales were included.

4.2.2 The term "Gross Sales" includes all revenue from the sale of all services and products (including, but not limited to, Branded Merchandise) and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed, on-premise sales, other sales made or sold, at, in, upon or from the Subfranchised Location, and any other type of sale) related to the Subfranchised Restaurant, whether for cash or credit and regardless of collection in the case of credit. Gross Sales will not include: **(a)** any bona fide documented federal, state, or municipal sales taxes collected by you from customers and paid by you to the appropriate taxing authority; **(b)** the sale of food, beverage or merchandise for which refunds have been made in good faith to customers; **(c)** the sale of equipment used in the operation of the Subfranchised Restaurant; **(d)** authorized customer promotional discounts; and **(e)** employee meal discounts.

4.3 Brand Fund. You must contribute to the Brand Fund 0.5% of your Fiscal Period Gross Sales ("Brand Fund Obligation").

4.4 Sales Reports. By 5:00 p.m. on the day after the end of each Fiscal Period, you must submit to us, in writing, by email, polling by computer or such other form or method as we may designate, the amount of Gross Sales of the Subfranchised Restaurant during the preceding Fiscal Period and any other data or information as we may require.

4.5 Payment of Fees. You must participate in our electronic funds transfer program, which authorizes us to use a pre-authorized bank draft system. You agree to sign and complete such documents as we may require from time to time to authorize and direct your bank or financial institution to pay and deposit directly to our account. Your Royalty and Brand Fund Obligation and other amounts owed under this Agreement, including any interest charges, must be received by us or credited to our account by pre-authorized bank debit before 5:00 p.m. on the 10th day after the end of each Fiscal Period or at a later point periodically specified by us ("Due Date"). You must furnish to us and your bank all authorizations necessary to effect payment by the methods we specify. We reserve the right to modify, at our option, the method by which you must pay the Royalty, Brand Fund Obligation and other amounts owed under this Agreement upon receipt of written notice from us. You may not, under any circumstances, set off, deduct or otherwise withhold any Royalties, Brand Fund Obligation, interest charges or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations. Following written notice from us, you also must make all payments to our affiliates through our electronic funds transfer program unless otherwise specified.

4.6 Interest and Late Fee. If any payments by you due to us are not received in full by the Due Date, in addition to paying the amount owed, you must pay to us interest on the amount owed from the Due Date until paid at the lesser of the maximum rate permitted for indebtedness of this nature in the state in which the Subfranchised Restaurant is located or 18% per annum. In addition, a late fee of \$100 may be assessed at our discretion on all payments by you due to us and not received by us by the Due Date. Payment of a late fee and/or interest by you on past due obligations is in addition to all other remedies and rights available to us pursuant to this Agreement or under applicable law.

4.7 Partial Payments. No payment by you of a lesser amount than due will be treated as anything other than a partial payment on account, regardless of whether you include an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment. We have sole discretion to apply any payments by you to any past due

indebtedness and we have the right to accept payment from any other entity as payment by you without that entity being substituted for you.

4.8 Collection Costs and Expenses. You agree to pay us on demand any and all costs and expenses we incur in enforcing the terms of this Agreement, including costs and commissions due a collection agency, attorneys' fees (including attorneys' fees for in-house counsel employed by us), costs incurred in creating or replicating reports demonstrating Gross Sales of the Subfranchised Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

5 COMMUNICATIONS, ACCOUNTING AND RECORDS

5.1 Recordkeeping. You will keep complete and accurate books, records and accounts related to the Subfranchised Restaurant in the form and manner prescribed in the Manual. You must preserve these books and records in electronic form for at least 7 years from the date of preparation, or longer as required by government regulations, and make them available to us within 5 days after our written request.

5.2 Computer System. You must obtain and install, at your expense, the hardware, software, and network connections that we specify from time to time. We reserve the right to specify a vendor or supplier and, if acquired through us, charge you for such hardware, software, support, and other related services ourselves. You agree to: **(a)** maintain on the computer system only the financial and operating data specified in the Manual; **(b)** transmit data to us in the form and at the times required by the Manual; **(c)** give us unrestricted access to your computer system at all times (including user IDs and passwords, if necessary) to download and transfer data via modem or other connection as we determine; **(d)** maintain the computer system in good working order at your own expense; **(e)** replace or upgrade the computer system as we require (but not more than once every 24 months); **(f)** install high speed Internet and/or communications connections; **(g)** ensure that your employees are adequately trained in the use of the computer system and our related policies and procedures; **(h)** comply with the Payment Card Industry Data Security Standard ("PCI DSS") at all times; **(i)** engage any vendor we designate to ensure the security of your data and compliance with the PCI DSS; and **(j)** use any proprietary software or support service and other proprietary materials that we provide to you in connection with the operation of the Subfranchised Restaurant and, if we so require, execute a license agreement and pay to us a reasonable license fee for the use of such proprietary software. You may not install any software other than authorized upgrades or make any hardware modifications to the computer system without our express written consent. You acknowledge that computer designs and functions change periodically and that we may make substantial modifications to our computer specifications or to require installation of entirely different systems during the Term.

5.3 Reports and Financial Statements. You must, at your expense, submit to us, in the form prescribed by us, the following reports for the Subfranchised Restaurant: **(a)** a monthly profit and loss and balance sheet (both of which may be unaudited) within 20 days after the end of each calendar month; **(b)** a year to date quarterly profit and loss statement and balance sheet (both of which may be unaudited) within 30 days after the end of each fiscal quarter (as defined by us) during each fiscal year (as defined by us); **(c)** a fiscal year profit and loss statement and balance sheet (both of which may be unaudited) within 60 days after the end of each fiscal year (as defined by us). We will have the right, to be exercised in our sole discretion, to require that you provide us profit and loss statements and balance sheets, or other reports and information relating to the Subfranchised Restaurant at other times that we request. We also reserve the right, in our reasonable discretion, to require that you, at your expense, submit audited financial statements

prepared by a certified public accounting firm acceptable to us for any fiscal years. You or your treasurer or chief financial officer must sign each statement and balance sheet, attesting that it is correct and complete and uses accounting principles applied on a consistent basis that accurately and completely reflect your financial condition.

5.4 Audit Rights. During and after the Term, we have the right to inspect, copy and audit your books and records, your federal, state and local tax returns, and any other forms, reports, information or data related to the Subfranchised Restaurant that we may reasonably designate. We will provide you 10 days' written notice before conducting an in-person financial examination or audit. We (or our designees) may conduct the examination or audit at our offices or those of a third party, in which case we may require you to send us your records. If the examination or audit reveals an understatement of Gross Sales, you must immediately pay to us any Royalty, Brand Fund Obligation or other amounts owed, plus interest (and a late fee at our discretion) as provided in Section 4.6. If an inspection or audit is made necessary by your failure to provide reports or supporting records as required under this Agreement, or to provide such reports or records on a timely basis, or if the audit or inspection reveals an understatement of Gross Sales of greater than 2% for the audit period, you must reimburse us for the full cost of the inspection or audit, including travel, lodging, meals and wages of our representatives and the reasonable charges of any attorneys or independent accountants we use for the inspection or audit and, upon our request, you must thereafter provide us with periodic audited financial statements. The remedies set forth in this Section are in addition to any other remedies and rights available to us under this Agreement or applicable law.

5.5 Ownership of Data. You agree that all data that you collect from customers or others in connection with the Subfranchised Restaurant, including customer lists, is deemed to be owned by us. You have the right to use the customer data while this Agreement or a Successor Franchise Agreement is in effect, but only in accordance with any privacy policy that we may establish from time to time.

5.6 Data Protection. You agree and undertake that you will:

5.6.1 Comply with the provisions of all applicable laws, regulations and best practices relating to privacy and data protection ("Data Protection Laws") in the use and processing of any personal data, including customer contact information (such as name, telephone numbers, e-mail and postal addresses), and transactional information collected by you from customers and prospective customers of the Subfranchised Restaurant ("Customer Personal Data").

5.6.2 Refrain from otherwise modifying, amending or altering the contents of the Customer Personal Data or disclosing or permitting the disclosure of any of the Customer Personal Data to any third party unless required by applicable law or specifically authorized in writing by us.

5.6.3 Implement and maintain throughout the Term appropriate technical and organizational measures to protect Customer Personal Data against unauthorized or unlawful processing, access or use and/or accidental loss, destruction, damage, alteration or disclosure ("Data Breach").

5.6.4 Promptly notify us in writing if you suspect there has been a Data Breach, in which event you will do all such acts and things (at your own expense) as we may require in order to remedy or mitigate the effects of the Data Breach.

5.6.5 Promptly notify us of any complaint, communication or request relating to the applicable Data Protection Laws.

6 BRAND FUND AND MARKETING

6.1 Brand Fund.

6.1.1 Wahlburgers has established a brand fund ("Brand Fund") to which your Brand Fund Obligation will be contributed. Wahlburgers may use Brand Fund contributions and any earnings of the Brand Fund for any costs associated with advertising, marketing, public relations, promotional programs and materials (which may be national or regional in scope) and/or any other activities that Wahlburgers believes would benefit the System, including the following: advertising campaigns in various media; point-of-purchase materials; review of locally-produced ads; free standing inserts; brochures; purchasing and/or developing promotional materials; market research, including secret shoppers; sponsorships; design and maintenance of a web site; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; accounting costs; and holding an annual franchise convention. Wahlburgers will not use the Brand Fund for any activity whose sole purpose is the marketing of franchises; however, you acknowledge that the Wahlburgers web site, public relations activities, community involvement activities and other activities that may be supported by the Brand Fund may contain information about franchising opportunities. Wahlburgers has the right to direct all programs supported by the Brand Fund, with final discretion over creative concepts, the materials and media used in the programs and their placement. Neither we nor Wahlburgers guarantees that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund. You agree to participate in all advertising, marketing, promotions, research, public relations and other programs instituted by the Brand Fund.

6.1.2 Wahlburgers Restaurants operated by us and/or our affiliates or Wahlburgers and its affiliates will contribute to the Brand Fund on the same basis as comparable franchisees and subfranchisees. If Wahlburgers reduces the Brand Fund contribution for franchisees, we and/or our affiliates and/or Wahlburgers and its affiliates will have the right to reduce the required contribution for applicable Wahlburgers Restaurants operated by us and/or our affiliates and/or Wahlburgers and its affiliates by the same amount.

6.1.3 Wahlburgers will not use any contributions to the Brand Fund to defray any of its general operating expenses, except for reasonable administrative costs and overhead that it incurs in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including salaries of its personnel who devote time to Brand Fund activities). Wahlburgers will separately account for the Brand Fund, but Wahlburgers does not need to segregate Brand Fund monies from its other monies.

6.1.4 Any point-of-sale materials produced with Brand Fund monies will be made available to you at a reasonable cost, and the proceeds of such sales will be credited to the Brand Fund. Wahlburgers is not required to have an independent audit of the Brand Fund completed. Wahlburgers may spend in any fiscal year an amount greater or less than the aggregate contribution of all Wahlburgers Restaurants to the Brand Fund during that year or cause the Brand Fund to invest any surplus for its future use or distribute any surplus to then-current franchisees who contributed to the Brand Fund and restaurants operated by us and/or our affiliates or Wahlburgers and its affiliates. (The Brand Fund will reimburse Wahlburgers for any monies it advances.) Wahlburgers will make available an unaudited statement of contributions and expenditures for the Brand Fund no sooner than 90 days after the close of its fiscal year to franchisees who make a written request for a copy.

6.2 Local Marketing. You will, at all times throughout the Term, use your best efforts to advance the reputation of Wahlburgers Restaurants and the products sold under the Marks and to

develop awareness of Wahlburgers Restaurants among consumers in order to increase the goodwill of the Marks and the System. Prior to use, you must submit all advertising materials to us for our approval, which approval will not be unreasonably withheld. You agree that Wahlburgers owns all advertising and promotional materials developed by you, and you will take all actions we and/or Wahlburgers specify to vest ownership in Wahlburgers.

6.3 Point of Sale Materials. If Wahlburgers or we develop any point-of-sale materials (other than through the use of Brand Fund monies), Wahlburgers or we, as applicable, may offer to sell those to you.

6.4 Social Media. You agree not to promote, offer or sell any products or services relating to the Subfranchised Restaurant through, or use any of the Proprietary Marks in, any form of electronic communications, including Internet web sites, social networking sites, applications or other future technological avenues that enable users to create and share content or to participate in social networking (collectively, "Social Media"), without Wahlburgers' and/or our prior written consent, which may be withheld for any or no reason. Wahlburgers and/or Master Franchisee may establish a Social Media policy, and Subfranchisee must comply with any such Social Media policy, as modified periodically, and any additional policies that Wahlburgers and/or Master Franchisee issue. Any copyright in Subfranchisee's sites or pages on any Social Media are owned by Wahlburgers, and Subfranchisee must sign any documents that Wahlburgers or Master Franchisee reasonably deems necessary to affirm Wahlburgers' ownership of the copyright. You acknowledge that any use of Social Media by you with respect to the Subfranchised Restaurant constitutes advertising and promotion subject to this Section 6, and you agree to comply with any additional policies and standards we and/or Wahlburgers issue from time to time with respect to Social Media.

6.5 Public and Media Relations. You agree that you will not issue any press or other media releases or other communications without our and Wahlburgers' prior written consent. As a subfranchisee of the System, you agree to only participate in internal and external communications activities that create goodwill, enhance Wahlburgers' public image and build the Wahlburgers brand.

7 TRAINING

7.1 Initial Training Program.

7.1.1 Before the Subfranchised Restaurant opens for business, your Operating Principal, the Subfranchised Restaurant's general manager, and at least 3 other managerial personnel whom we designate must attend, and become certified in, the Initial Training Program ("ITP"). We will provide the ITP at a Wahlburgers Restaurant operated by us or our affiliates and/or at our designated training facilities. We will not authorize the Subfranchised Restaurant to open until those employees whom we designate have attended and successfully completed (as determined by us in our sole discretion) the ITP.

7.1.2 Upon our request, as a prerequisite to the ITP, attendees must successfully complete (as determined by us in our sole discretion), at your cost, a ServSafe food safety training and certification program administered by the National Restaurant Association Educational Foundation.

7.1.3 You must pay all salaries, benefits, travel, living and other expenses incurred by you and your employees while attending the training. We have the right to dismiss from the ITP any person whom we believe will not perform acceptably in the position for which he/she has been

hired, and you must provide a suitable replacement within 30 days of dismissal. Additional employees who desire to attend the ITP may do so, subject to space availability and your payment of a training fee as determined by us.

7.1.4 If you (or your Operating Principal) fail to complete the ITP to our satisfaction, we may terminate this Agreement pursuant to Section 17.1.1 or permit you (or your Operating Principal) to repeat the ITP at the next available scheduled training session. We may charge a fee as determined by us if you (or your Operating Principal) is required to repeat the ITP.

7.2 Ongoing Training; Training of Replacement Personnel.

7.2.1 We may require you (or your Operating Principal), your managerial personnel, training personnel and/or other previously trained and experienced staff members to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may charge a fee as determined by us for these courses. You will be required to pay all salaries, benefits, travel, living and other expenses incurred by you and your employees during all training courses and programs.

7.2.2 We require that, subject to space availability, your replacement managerial and training personnel satisfactorily complete our training programs within the time period required by the Manual after being designated as managerial or training personnel. We may charge a fee for these training programs as determined by us.

7.2.3 You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

7.3 Training Materials and Methods. All training materials that we provide to you remain our property. We have the right to provide training programs in person, on DVD, via the Internet and/or an Intranet, in printed or other electronic format or by other means, as we determine.

8 ADDITIONAL SERVICES OFFERED BY US

8.1 Pre-Opening Assistance. We may provide consultation and advice to you, as we deem appropriate, with regard to construction or renovation and operation of the Subfranchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, employee selection and training, purchasing and inventory control and those other matters that we deem appropriate.

8.2 Opening Assistance. If we elect to provide assistance in opening the Subfranchised Restaurant and in training your employees, we have the right to charge you a fee for the opening training support team as determined by us, and you must pay all travel, living and other expenses incurred by our training personnel and representatives while providing this assistance.

8.3 Post-Opening Assistance. We periodically, as we deem appropriate, will advise and consult with you regarding the operation of the Subfranchised Restaurant. We, as we believe appropriate, will make available to you information regarding the System and new developments, techniques and improvements in the areas of restaurant design, operations, management, menu-

development, sales and customer service, marketing and other areas. We may provide these services through visits by our representatives to the Subfranchised Restaurant or your offices (although we are not obligated to make any visits), the distribution of printed or filmed material, via the Internet or an Intranet or other electronic format, meetings or seminars, training programs, telephone communications or other forms of communications.

9 MANUAL

9.1 We will furnish you with one copy of, or provide electronic access to, the Manual, on loan, for the Term. (As used in this Agreement, the term "Manual" also includes all written and electronic correspondence from us regarding the System, other publications, materials, drawings, memoranda, videotapes, CDs, DVDs, audio tapes, and electronic media that we from time to time may provide to you.) The Manual contains detailed standards, specifications, instructions, forms, reports and procedures for management and operation of the Subfranchised Restaurant. All or part of the Manual may be furnished to you in electronic form or online (including via an Intranet) and we or Wahlburgers may establish terms of use for access to any restricted portion of such website.

9.2 You acknowledge that Wahlburgers owns the copyright in the Manual and that all copies of the Manual in your possession remain Wahlburgers' property. You agree to treat the Manual, training materials and any other manuals or materials created or authorized by us or Wahlburgers for use with the System as secret and confidential. You agree not to copy, duplicate, record or otherwise reproduce the Manual or other materials provided by us or Wahlburgers, in whole or in part. In addition, you agree not to make any confidential information or materials supplied by us or Wahlburgers available to any unauthorized person without our and Wahlburgers' prior written consent.

9.3 Wahlburgers and Master Franchisee periodically may amend the Manual and Wahlburgers and Master Franchisee reserve the right to replace the entire Manual with an updated version at Wahlburgers' and Master Franchisee's sole discretion. You agree to keep your copy of the Manual up-to-date to acquire all equipment and related services to do so and to comply with each new or changed standard promptly upon receipt of notice from us or Wahlburgers. If a dispute relating to the contents of the Manual develops, the copy of the Manual maintained at our and/or Wahlburgers' principal office controls. You agree to operate the Subfranchised Restaurant at all times in strict conformity with the Manual.

10 OPERATIONS

10.1 Compliance with Standards. In recognition of the mutual benefits that come from maintaining the System's reputation for quality, you agree to comply with all mandatory specifications and procedures set forth periodically in the Manual or otherwise in writing. You acknowledge that the appearance, Trade Dress, services and operation of the Subfranchised Restaurant are important to us, Walburgers, Walburgers' affiliates and all Wahlburgers franchisees and subfranchisees.

10.2 System Modifications. Wahlburgers may periodically change the System, including modifications to the Manual, the menu, the required equipment, the signage, the Proprietary Marks and the Trade Dress. You must accept, use or display in the Subfranchised Restaurant any such System changes and make such expenditures as the System changes require. Wahlburgers also has the right to vary System standards in particular instances as Wahlburgers may require.

10.3 Authorized Products and Services. You may offer for sale and sell in the Subfranchised Restaurant only the products (including, but not limited to, Branded Merchandise), services and brands that are designated in the Manual or otherwise in writing. You must offer all items that are designated as mandatory for the service format utilized in your Subfranchised Restaurant. Some items may also be designated as optional. The mandatory and optional menu items, recipes, ingredients and other products and services may be changed in Wahlburgers' sole discretion. You may be required to sell certain brands and prohibited from selling other brands. You may sell products only in the varieties, weights, sizes, forms and packages that are designated. You must use only authorized ingredients and follow the designated recipes in the preparation of menu items. You may not use the Subfranchised Location for the sale or display of items not authorized by us. Within 15 days after we provide written notice to you, you must begin selling any newly authorized menu items (or using any newly authorized ingredients) or Branded Merchandise and cease selling any menu item or Branded Merchandise that is no longer authorized (or using any ingredient that is no longer authorized); however, if the discontinued menu item, ingredient or Branded Merchandise could pose a hazard to the public or prove detrimental to the system, you must cease selling or using that item, ingredient or Branded Merchandise immediately. All food and beverages authorized for sale at the Subfranchised Restaurant must be offered for sale under the name that we specify. The design of the menu used in the Subfranchised Restaurant must conform with the Wahlburgers' specifications and be approved by us in writing. We periodically will provide you suggested retail prices for the products and services offered at the Subfranchised Restaurant and, to the extent permitted by applicable law, we may require that you adhere to our suggested prices, including maximum prices. If you have a suggestion for a new menu item or ingredient (or for a change to an authorized menu item or ingredient) or new Branded Merchandise or you wish to participate in a test market program, you must notify us before you implement any such change or commence any such program. You may not add or modify any menu item or participate in a test market program without first obtaining our prior written approval.

10.4 Your Development of System Improvements. If you develop any new concepts, processes or improvements (including new menu items or ingredients) relating to the System or any other development or material relating to the System, you must promptly notify us and provide us with all information regarding the new concept, process, improvement, development or material, all of which will become our property and may be incorporated into the System without any payment to you. You, at your expense, promptly must take all actions deemed necessary or desirable by us and/or Wahlburgers to vest in Wahlburgers all ownership of such concepts, processes or improvements.

10.5 Sourcing of Products and Services.

10.5.1 We have the right to require that all food and non-food products (including, but not limited to, Branded Merchandise), supplies, equipment and services that you purchase for use, sale or resale in the Subfranchised Restaurant: **(a)** meet specifications that Wahlburgers establishes from time to time; **(b)** be purchased only from suppliers to whom we have consented (which may include Wahlburgers and/or its affiliates); and/or **(c)** be purchased only from a single source or from a limited number of designated sources (which may include Wahlburgers and/or its affiliates). To the extent that Wahlburgers establishes specifications, require its consent to suppliers or designate specific suppliers for particular items, we will make those requirements available to you in the Manual or otherwise in writing. Wahlburgers has developed and may continue to develop certain proprietary food products that will be prepared by or for Wahlburgers according to Wahlburgers' proprietary special recipes and formulas, and you agree to purchase those food products developed by Wahlburgers pursuant to a special recipe or formula only from Wahlburgers, Wahlburgers' affiliates or a third party designated and licensed by Wahlburgers to

prepare and sell such products. Wahlburgers may create purchasing restrictions to control the quality and selection, and ensure the consistency, of menu items, ingredients, Branded Merchandise and other merchandise; to consolidate System purchases to reduce costs or ensure availability of products; or for other valid business reasons.

10.5.2 You may not engage in “grey market” activities, in which you take advantage of any group purchasing arrangements for Wahlburgers Restaurants to purchase products that you then resell to purchasers outside of the System or use in a business outside of the System.

10.5.3 Wahlburgers and its affiliates may earn income on sales of products (including, but not limited to, Branded Merchandise), ingredients and/or supplies to you. If Wahlburgers or its affiliates receive any rebates, commissions or other payments from third-party suppliers based on your purchases from them, Wahlburgers may retain the rebates, commissions or other payments. You agree that Wahlburgers is entitled to such income and consideration.

10.5.4 Branded Merchandise must be purchased from Wahlburgers or a source designated by Wahlburgers. If you would like to purchase other products or services from a supplier who we have not consented to, you must submit a written request for consent. We, Wahlburgers and our and its designees have the right to inspect the proposed supplier's facilities and test samples of the proposed products. You agree to pay to us a reasonable fee, not to exceed the actual cost of the inspection and testing the proposed product or evaluating the proposed supplier, including personnel and travel costs, whether or not the product or supplier is accepted. We and Wahlburgers have the right to grant, deny or revoke consent to products, services and suppliers in our or its sole discretion. We will notify you of the decision as soon as practicable following the evaluation. We, Wahlburgers and our or its designees reserve the right to reinspect the facilities and products of any accepted supplier and revoke acceptance upon the supplier's failure to meet any of Wahlburgers' then-current criteria.

10.6 Upkeep of the Subfranchised Restaurant. You must maintain the interior and exterior of the Subfranchised Restaurant and all fixtures, furnishings, signs and equipment in first-class condition and in the highest degree of cleanliness, orderliness, sanitation and repair in accordance with the requirements of the System and the Manual and the lease for the Subfranchised Location. Expenditures in connection with signage (including point of sale, exterior and interior signage) and equipment (including equipment needed to prepare new menu items) are considered a maintenance expenditure (whether for repair or replacement) under this Section rather than a remodeling expenditure under Section 10.7. There is no limitation on the amount that you may be required to spend for repairs and maintenance. You may not make any alteration, addition, replacement or improvement in, or to, the interior or exterior of the Subfranchised Restaurant without our prior written consent.

10.7 Remodeling. In addition to ordinary maintenance and upkeep, we have the right to require you to undertake structural changes, remodeling and renovations and other modifications to the Subfranchised Restaurant to conform to the design, Trade Dress, color schemes and presentation of the Proprietary Marks that we are then requiring of new Wahlburgers Restaurants. You must undertake such a remodel of the Subfranchised Restaurant no later than 5 years after you last remodeled or 5 years after the date the Subfranchised Restaurant first opened for business if you have not yet remodeled.

10.8 Maximum Operation of the Subfranchised Restaurant.

10.8.1 During the Term, you must use the Subfranchised Location solely for the operation of a Wahlburgers Restaurant and maintain sufficient inventories, adequately staff each

shift with qualified employees and continuously operate the Subfranchised Restaurant at its maximum capacity and efficiency for the minimum number of days and hours set forth in the Manual or as we otherwise specify in writing (subject to the requirements of local laws and licensing requirements).

10.8.2 You must immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Subfranchised Restaurant or any similar complaints. When any customer complaints cannot be immediately resolved, you must use your best efforts to resolve the customer complaints as soon as practical and, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

10.9 Personnel.

10.9.1 The Subfranchised Restaurant must at all times be under the personal, on-premises supervision of the Operating Principal, a general manager or an assistant manager. At all times that the Subfranchised Restaurant is open for business, at least one person must be on site who has been trained in ServSafe as required by Section 7.1.2 and completed any other locally-required safety or health training.

10.9.2 The Subfranchised Restaurant must employ 1 general manager and at least 3 assistant managers each of whom have met our training requirements for their position. Prior to participation in the ITP, you must provide us that information we request regarding your initial (and any subsequent) general manager, who must be accepted by us before he can assume that position and who must devote full-time and best efforts to supervising the operation of the Subfranchised Restaurant. You must also provide to us, prior to participation in the ITP, that information we request regarding your initial (and all subsequent) assistant managers, each of whom must be accepted by us before he can assume that position.

10.9.3 You must appoint an individual to serve as your "Operating Principal". The Operating Principal: **(a)** must be accepted by us, **(b)** must be a 10% Owner; **(c)** must live within a reasonable driving distance of the Subfranchised Restaurant; and **(d)** must devote full-time and best efforts to supervising the operation of the Subfranchised Restaurant.

The Operating Principal must remain active in overseeing the operations of the Subfranchised Restaurant, including without limitation, regular, periodic visits to the Subfranchised Restaurant and sufficient communications with us to ensure that the Subfranchised Restaurant's operations comply with the operating standards as promulgated by us from time to time, in the Manual or otherwise in written or oral communications. The Operating Principal as of the Effective Date is identified in Exhibit A. The Operating Principal must complete the ITP, have authority over all business decisions related to the Subfranchised Restaurant and have the authority to bind you in your dealings with us. We will provide all services to, and communicate primarily with, the Operating Principal.

You must obtain our prior written consent before you change the Operating Principal. If the Operating Principal no longer qualifies as such, you must designate another qualified person to act as the Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. We will advise you whether we have consented to the new Operating Principal within

a reasonable time after receipt of your notice. If we do not consent, you will have 15 days from your receipt of our decision to designate another person to act as Operating Principal who satisfies the preceding qualifications.

10.9.4 You have sole responsibility for all employment decisions and functions related to the Subfranchised Restaurant, including hiring, firing, compensation, benefits, work hours, work rules, training, recordkeeping, supervision and discipline of employees. You must enforce all dress and appearance standards for employees that we may establish. We may, from time to time, based upon our experience, provide you guidance in human resource matters such as hiring and scheduling. This guidance is provided as a resource only, and you will be entirely free to not adopt our suggestions, in your sole discretion. You must maintain a competent, conscientious, trained staff with enough members to operate the Subfranchised Restaurant in compliance with our standards. You must verify that your employees meet all state and local requirements for certification and meet all prerequisites for employment in the United States.

10.10 Insurance. You must maintain in full force and effect that insurance which you determine to be necessary, which must include at least the types of insurance and the minimum policy limits specified in the Manual or otherwise in writing. Each insurance policy must be written by an insurance company that maintains an "A+" or better rating by the latest edition of Best's Insurance Rating Service (or another rating service designated by us). The insurance policy or policies must be in effect when you take possession of the Subfranchised Location. The insurance policy or policies must protect you, us and our respective past, present and future officers, directors, managers, members, owners, employees, representatives, consultants, attorneys and agents. Wahlburgers, we and any entity with an insurable interest designated by Wahlburgers or us must be named as additional insureds in the policy or policies (statutory policies excepted). Each policy must include a waiver of subrogation in Wahlburgers' and our favor. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. You must provide us with certificates of insurance evidencing the required coverage and proof of payment therefor no later than the date you sign this Agreement. The evidence of insurance must include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to us. If you fail to obtain and maintain insurance coverage as required by this Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance, plus a reasonable fee for our services in procuring the insurance.

10.11 Inspections. We, Wahlburgers and our or its designees have the right, but not the obligation, at any time during normal business hours to: **(a)** conduct inspections of (and photograph and record) the Subfranchised Location and the Subfranchised Restaurant; **(b)** interview your employees, suppliers and customers; and **(c)** review your business records, including those maintained electronically or off-premises. These actions (collectively, "QA Audits") may be initiated with or without prior notice to you, except that prior notice is required for a financial examination or audit as provided in Section 5.4. You must cooperate by giving our representatives unrestricted access and rendering such assistance as they may reasonably request. If we notify you of any deficiencies after a QA Audit, you must promptly take steps to correct them. If you fail to obtain a passing score on any QA Audit, you will reimburse us for all costs and expenses incurred in connection with the next QA Audit.

You agree to participate in programs initiated to verify customer satisfaction and/or your compliance with all operational and other aspects of the System, including (but not limited to) an 800 number, secret shoppers or other programs as we may require. We will share the results of these programs, as they pertain to the Subfranchised Restaurant, with you. You will reimburse us

for all costs related to the Subfranchised Restaurant associated with any and all of these programs.

10.12 Taxes.

10.12.1 You must promptly pay when due all taxes levied or assessed (including, without limitation, unemployment and sales taxes) and all accounts and other indebtedness of every kind incurred by you in the conduct of the Subfranchised Restaurant under this Agreement. If any taxes, fees or assessments are imposed on us by reason of our acting as franchisor or licensing the Proprietary Marks, you must reimburse us the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from us.

10.12.2 In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Subfranchised Restaurant and/or the Subfranchised Location (or any improvements thereon).

10.13 Compliance with Laws and Good Business Practices. You must secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Subfranchised Restaurant, including, but not limited to, liquor licenses. You must operate the Subfranchised Restaurant in full compliance with all applicable laws, ordinances and regulations, including those governing or relating to the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment laws, including workers' compensation insurance, unemployment insurance and the withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must notify us, in writing, within 5 days after: **(a)** the commencement of any proceeding or the issuance of any decree of any court or government agency that may adversely affect the operation or financial condition of you or the Subfranchised Restaurant; or **(b)** receiving any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Subfranchised Restaurant. In your dealings with customers, suppliers and the public, you will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct and you will refrain from any business or advertising practice that may harm the goodwill associated with the Proprietary Marks or the System.

10.14 Adoption of Quality and Assurance Programs. You must adopt, at your expense, those customer quality and assurance programs that we specify, including, but not limited to, participation in programs associated with guest satisfaction.

10.15 Non-Cash Payment Systems. You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems specified by us to enable customers to purchase authorized products and you must obtain all necessary hardware and/or software used in connection with these non-cash payment systems. You will reimburse us for all costs associated with such non-cash payment systems as they pertain to the Subfranchised Restaurant.

10.16 Amusement Equipment. You will not permit at the Subfranchised Restaurant any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film or video device not authorized by us.

11 PROPRIETARY MARKS AND TRADE DRESS

11.1 Limited Right to Use. Your right to use the Proprietary Marks and Trade Dress applies only to the Subfranchised Restaurant operated at the Subfranchised Location as expressly provided in this Agreement. We will provide you guidelines for the use of the Proprietary Marks and Trade Dress. Both during and after the Term, you agree not to directly or indirectly contest or aid in contesting the validity of our rights and/or our affiliates' rights in the Proprietary Marks or take any action detrimental to our rights in the Proprietary Marks and Trade Dress.

11.2 Ownership Interests. Subfranchisee acknowledges and agrees that nothing in this Agreement gives Subfranchisee any right, title or interest in the Proprietary Marks (except the right to use the Proprietary Marks in accordance with the terms of this Agreement), that the Proprietary Marks are and will remain the sole property of Wahlburgers and Wahlburgers affiliates, that Subfranchisee will not directly or indirectly contest the validity or ownership of the Proprietary Marks, the right of Wahlburgers to license the Proprietary Marks or the right of Master Franchisee to subfranchise the Proprietary Marks and that all uses by Subfranchisee of the Proprietary Marks and any goodwill arising therefrom will inure exclusively to the benefit of Wahlburgers and Wahlburgers affiliates. Any unauthorized use of the Proprietary Marks by Subfranchisee or attempt by Subfranchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction will constitute a breach of this Agreement and an infringement of the rights of Wahlburgers and Wahlburgers affiliates in and to the Proprietary Marks.

11.3 Specific Restrictions on Use. You agree: **(a)** to use only the Proprietary Marks and Trade Dress that we or Wahlburgers designate, and only in the manner we or Wahlburgers authorizes; **(b)** to use the Proprietary Marks and Trade Dress only for the operation of the Subfranchised Restaurant at the Subfranchised Location and in authorized advertising for the Subfranchised Restaurant; **(c)** to operate and advertise the Subfranchised Restaurant only under the name "Wahlburgers" without prefix or suffix; **(d)** to display the Proprietary Marks in the Subfranchised Restaurant, at the Subfranchised Location, and on brochures and other printed materials, employee uniforms and vehicles only in the manner that we or Wahlburgers authorize; **(e)** not to use the Proprietary Marks or any names confusingly similar to the Proprietary Marks as part of your entity or legal name; **(f)** to permit our and/or Wahlburgers representatives to inspect your operations to verify that you are properly using the Proprietary Marks and Trade Dress; **(g)** to use the Proprietary Marks to promote and to offer for sale only the products and services that have been authorized, and not use any of the Proprietary Marks or Trade Dress in association with any other products, materials or services; **(h)** not to use or permit the use of the Proprietary Marks or any names confusingly similar to the Proprietary Marks as part of any Internet domain name or e-mail address or in the operation of any Internet web site without our or Wahlburgers prior written consent; **(i)** not to use the Proprietary Marks to incur any obligation or indebtedness on our or Wahlburgers' behalf; and **(j)** to ensure that the Proprietary Marks bear the ®, ™, or SM symbol, as we or Wahlburgers prescribe from time to time.

11.4 Changes to the Proprietary Marks. Wahlburgers has the absolute right to change, discontinue, or substitute for any of the Proprietary Marks and to adopt new Proprietary Marks for use with the System without any liability for any impact to the System. You agree to implement any such change at your own expense, regardless of the reason for the change, within the time that we or Wahlburgers' reasonably specify.

11.5 Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Proprietary Marks or Trade Dress that you suspect or of which you have knowledge. You also agree to inform us promptly of any challenge by any person or entity to the validity of, or Wahlburgers' or Wahlburgers's affiliates' ownership of, or of Wahlburgers, Wahlburgers' affiliates'

or our right to license others to use, any of the Proprietary Marks or Trade Dress. You acknowledge and agree that Wahlburgers and we have the right, but not the obligation, to initiate, direct and control any litigation or administrative proceeding relating to the Proprietary Marks or Trade Dress, including, but not limited to, any settlement. You agree to sign all documents and render any other assistance Wahlburgers and/or we, as applicable, may deem necessary to the defense or prosecution of any such proceeding.

12 YOUR ORGANIZATION

12.1 Governing Documents. Your governing documents must provide that no Transfer (as defined in Section 14.1) of an ownership interest may be made except in accordance with Section 14. Any stock or other ownership certificates that you issue must bear a conspicuous printed legend to that effect.

12.2 Original Owners. You represent that you have furnished us with a list of all holders of direct or indirect equity interests in you and their respective percentage interests, as well as copies of your governing documents (and any amendments thereto) and any other corporate documents, books or records that we may request, and that all such information is current as of the date on which you sign this Agreement. Your direct and indirect owners and their respective equity interests as of the Effective Date are identified in Exhibit A. You must promptly update this information as changes occur.

12.3 Guarantees. All holders of direct or indirect equity interests in you of 10% or more ("10% Owners") must jointly and severally guarantee your payment and performance under this Agreement and must bind themselves to the terms of this Agreement pursuant to the Guarantee and Assumption of Subfranchisee's Obligations attached as Exhibit C ("Guarantee"). Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the 10% Owners execute the Guarantee and/or to limit the scope of the Guarantee. We reserve the right to require any guarantor to provide personal financial statements to us from time to time.

You acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) execute the Guarantee. Accordingly, if any 10% Owner is not an individual, we will have the right to have the Guarantee executed by individuals who have only an indirect ownership interest in you. (By way of example, if a 10% Owner is a corporation, we have the right to require that the Guarantee be executed by individuals who have an ownership interest in that corporation.)

If you, any guarantor or any parent, subsidiary or affiliate of yours holds any interest in other businesses that are franchised by us, at our request, the party who owns that interest will execute, concurrently with this Agreement, a form of cross-guarantee to us for the payment of all obligations for such businesses, unless waived in writing by us in our sole discretion. For purposes of this Agreement, an affiliate of yours is any company controlled, directly or indirectly, by you, your owners or your parent or subsidiary.

13 TRANSFERS BY US

We have the unrestricted right to transfer or assign ownership interests in us and all or any part of our interest in this Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred. We also have the right to delegate to others the performance of any of our duties under this Agreement.

14 TRANSFERS BY YOU

14.1 Definition of Transfer. For purposes of this Agreement, "Transfer" means any sale, assignment, transfer, merger, conveyance, give away, pledge, mortgage or other encumbrance, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) of: **(a)** any interest in this Agreement; **(b)** any interest in the Subfranchised Location; **(c)** your foodservice contract or lease with the Casino; **(d)** any direct or indirect ownership interests in you; **(e)** substantially all of the assets of the Subfranchised Restaurant; or **(f)** substantially all of your other assets pertaining to your operations under this Agreement.

14.2 No Transfer Without Our Consent. You acknowledge that this Agreement is personal to you, and we have selected you as a franchisee based on our reliance on your (and your direct and indirect owners') character, skill, aptitude and business and financial capacity. Neither you nor any of your direct or indirect owners may undertake any Transfer or permit any Transfer to occur without obtaining our prior written consent. The decision as to whether to consent to a Transfer will be made in the exercise of our business judgment, but our consent will not be unreasonably withheld. We have the right to communicate with and counsel you, your direct and indirect owners and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require, including, but not limited to, a copy of the proposed offer. Unless otherwise agreed, we do not waive any claims against the transferring party if we consent to the Transfer.

14.3 Transfer Generally. Except as otherwise provided in this Section 14, if you or your direct or indirect owners propose to undertake a Transfer, the following conditions apply (unless waived by us):

14.3.1 You and your direct and indirect owners must:

(a) Be in compliance with all obligations to us under this Agreement and any other agreements you have with us, our affiliates, any lenders that have provided financing to you and your major suppliers as of the date of the request for our consent to the Transfer.

(b) Pay to us a transfer fee equal to \$5,000 to reimburse us for our reasonable costs and expenses incurred in reviewing and documenting the Transfer, including legal and accounting fees, provided that you will not be required to pay us a Transfer fee in connection with a Transfer undertaken in accordance with Sections 14.5 and 14.6.

(c) Advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals and submit all other information requested by us relating to the proposed Transfer.

14.3.2 The proposed transferee (and, if the proposed transferee is a business entity, all persons that have any direct or indirect ownership interest in the transferee as we may require) must demonstrate to our satisfaction extensive experience in high quality restaurant operations of a character and complexity similar to Wahlburgers Restaurants; must meet the managerial, operational, experience, quality, character and business standards for a franchisee promulgated by us from time to time; must possess a good character, business reputation and credit rating; must have an organization whose management culture is compatible with our management culture; and must have adequate financial resources and working capital to meet the obligations under this Agreement. If the proposed transferee is an existing Wahlburgers

franchisee, the transferee and its direct and indirect owners must not be in default under their agreements with us and must have substantially complied with our operating standards.

14.3.3 An assignment agreement and/or any other agreements that we require to reflect the Transfer must be signed by the transferor and the proposed transferee. In addition, we may require, at our option, that amendments to this Agreement and/or our then-current standard form of subfranchise agreement for casino locations (for an initial term ending on the expiration date of the Term) be signed which may provide for a different Royalty, Brand Fund Obligation, local marketing requirements and other rights and obligations than those provided in this Agreement. There is no limitation on the extent to which the terms of the amended or new franchise agreement may differ from the terms of this Agreement.

14.3.4 We may require that the proposed transferee make arrangements to modernize and upgrade the Subfranchised Restaurant, at the transferee's expense, to comply with our standards and specifications for new Wahlburgers Restaurants.

14.3.5 You, all 10% Owners, all of your guarantors under this Agreement and the transferee must execute a general release, in a form prescribed by us, of all claims against us and our past, present and future affiliates, officers, directors, members, managers, shareholders, agents and employees. You, all 10% Owners, all of your guarantors under this Agreement and the transferee will remain liable to us for all obligations arising before the effective date of the Transfer.

14.3.6 The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the future viability of the Subfranchised Restaurant.

14.3.7 Unless waived by us in our sole discretion, the transferee and those employees of the transferee designated by us will complete the ITP in accordance with Section 7.1. We may charge a fee to provide this training.

14.3.8 If the transferee is a business entity, those persons or entities designated by us, which may include, but are not limited to, those with a direct or indirect ownership interest of 10% or more in the transferee, must execute our then-current form of Guarantee.

14.4 Transfer of Partial Ownership Interest. If you propose to admit a new owner who will have less than a 10% ownership interest in you, remove an existing owner or change the distribution of ownership interests among the owners shown on Exhibit A, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that we may request. You must also pay to us a Transfer fee as provided in Section 14.3.1.(b). We may withhold our consent on any reasonable grounds or give our consent subject to reasonable conditions, including the conditions in Sections 14.3.1(a), 14.3.3, 14.3.5, and 12.1. Any new owner must submit a franchise application and, if applicable, execute our then-current form of Guarantee.

14.5 Transfer for Convenience of Ownership. If you are an individual or a partnership, we will consent to the Transfer of this Agreement to a business entity that you form for the convenience of ownership, provided that: **(a)** the entity has and will have no business other than the operation of Wahlburgers Restaurants; **(b)** you comply with the requirements in Sections 14.3.1(a), 14.3.3, 14.3.5, and 12.1; **(c)** the owners hold equity interests in the new entity in the same proportion shown on Exhibit A; and **(d)** the top-level management of the Subfranchised Restaurant does not change. You will not be required to pay a Transfer fee for a Transfer under this Section 14.5.

14.6 Transfer for Estate Planning Purposes. We agree that a Transfer of ownership interests in you to a trust for estate planning purposes, will be permitted without our prior written consent, provided that: **(a)** we receive a copy of all trust documents prior to the Transfer; **(b)** the trust documents authorize entry into this Agreement and indemnify the trustee for his actions with respect to this Agreement; **(c)** the trustee executes all agreements with us in his personal capacity and as trustee; **(d)** the applicable owner of the ownership interests retains voting control over the ownership interests transferred to the trust; and **(e)** the proposed transferee provides us written notice of its intent to undertake the Transfer at least 30 days prior to the effective date of the Transfer, together with documents demonstrating that the Transfer meets the requirements of this Section.

14.7 Transfer upon Death or Permanent Incapacity. If the Transfer is a transfer of direct or indirect ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of a person that has a direct or indirect ownership interest in you, that person's executor, administrator or personal representative must apply to us in writing within 3 months after the death or declaration of permanent incapacity for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 14.3 and 14.4, as applicable. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 14.3 or 14.4, the executor may transfer the decedent's interest to another successor that we have accepted, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 14.7 within 6 months after the date of death or appointment of a personal representative, we may terminate this Agreement under Section 17.1.

14.8 Securities Offerings. Ownership interests in you may be sold, by private or public offering, only with our prior written consent (whether or not our written consent is required under any other provision of this Section), which consent will not be unreasonably withheld. In addition to the requirements of Section 14.3, prior to the time that any public offering or private placement of securities or partnership interests in you is made available to potential investors, you, at your expense, must deliver to us a copy of the offering documents. You, at your expense, also must deliver to us an opinion of your legal counsel (addressed to us and in a form acceptable to us) that the offering documents properly use the Proprietary Marks and accurately describe your relationship with us and/or our affiliates. The indemnification provisions of Section 21 will also include any losses or expenses incurred by us and/or our affiliates in connection with any statements made by or on behalf of you in any public or private offering of your securities.

14.9 Non-Conforming Transfers. Any purported Transfer that is not in compliance with this Section 14 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement.

15 GENERAL RELEASE

You (on behalf of yourself and your parent, subsidiaries and affiliates) (collectively, "Releasors") freely and without any influence forever release and covenant not to sue Wahlburgers and us, and our respective parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, members, managers, agents and employees, in their corporate and individual capacities (collectively, "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims"), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned,

held, had or claimed to have, based on, arising out of or relating to, in whole or in part any fact, event, conduct or omission occurring on or before the date of this Agreement, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and operation of the Subfranchised Restaurant and the development and operation of all other restaurants operated by any Releasor that are franchised by any Releasee. Releasors expressly agree that fair consideration has been given by us for this release, and they fully understand that this is a negotiated, complete and final release of all claims.

Notwithstanding the foregoing, claims arising from representations in our Franchise Disclosure Document, or its exhibits or amendments, are expressly excluded from this release.

16 COVENANTS

16.1 Confidentiality Obligations.

16.1.1 Acknowledgments. Subfranchisee acknowledges and agrees that: **(a)** Wahlburgers and Wahlburgers' affiliates exclusively own all right, title and interest in and to the System, including, without limitation, the Proprietary Marks and all confidential information, knowledge, trade secrets or know-how (collectively, "Confidential Information"); **(b)** the System, including without limitation the Proprietary Marks and the Confidential Information, gives Wahlburgers and Wahlburgers' affiliates a significant competitive advantage and is of substantial and material value to Wahlburgers and Wahlburgers' affiliates and to Master Franchisee and Master Franchisee's affiliates; **(c)** in developing the System, including without limitation the Proprietary Marks and the Confidential Information, Wahlburgers and Wahlburgers' affiliates have made and continue to make substantial investments of time, technical and commercial research and money; **(d)** Wahlburgers, Wahlburgers' affiliates, Master Franchisee and its affiliates have taken and continue to take appropriate and valuable measures necessary to protect the System, including, without limitation, the Proprietary Marks and the Confidential Information; and **(e)** all materials or information previously, now or hereafter provided to, disclosed to, or obtained by or learned by Subfranchisee in connection with the System (including, without limitation, the Proprietary Marks and the Confidential Information) or the opening or operation of Wahlburgers Restaurants will be deemed Confidential Information disclosed to Subfranchisee in confidence by or for Master Franchisee or Wahlburgers under this Agreement.

16.1.2 Covenants. Accordingly, Subfranchisee covenants and agrees that during the Term and following the expiration or termination of the Term, neither Subfranchisee, nor any Subfranchisee affiliate, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any third party, will, without the approval of Master Franchisee and Wahlburgers: **(a)** disclose any aspect or part of the System or the Confidential Information to anyone who is not an employee of Subfranchisee; **(b)** disclose to an employee of Subfranchisee more information about any aspect or part of the System or the Confidential Information than such employee has a need to know at the time of disclosure; **(c)** fail to have an adequate system in place to ensure that employees of Subfranchisee keep secret and maintain the strict confidentiality of all Confidential Information (if requested by Master Franchisee, Subfranchisee will obtain from employees of Subfranchisee designated by Master Franchisee an executed Non-Disclosure Agreement in the form prescribed by Master Franchisee); **(d)** acquire or purport to have acquired any interest of any kind in the System, including, without limitation, the Proprietary Marks and the Confidential Information; or **(e)** undertake any unauthorized or unlicensed use, disclosure, dissemination, duplication or publication, in whole or in part, of the System, including, without limitation, the Proprietary Marks and the Confidential Information, to or for the benefit of any Competitive

Business or third party. Subfranchisee acknowledges and agrees that any such use, disclosure, dissemination, duplication or publication constitutes an unfair method of competition by reason of which Master Franchisee and Wahlburgers will, notwithstanding any Enforcement Provision, be entitled to all legal and equitable remedies, including without limitation, temporary and permanent injunctive relief and specific performance without posting a bond.

16.2 Restrictions.

16.2.1 Acknowledgements. You acknowledge and agree that: **(a)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and confidential information from us and/or Wahlburgers regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(b)** the System and the opportunities, associations and experience established by Wahlburgers' and Wahlburgers' affiliates and acquired by you under this Agreement are of substantial and material value; **(c)** in developing the System, Wahlburgers and its affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** neither we nor Wahlburgers nor Wahlburgers' affiliates would be able to adequately protect the System, trade secrets and confidential information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Wahlburgers Restaurants if franchisees and/or subfranchisees were permitted to hold interests in competitive businesses; and **(e)** restrictions on your right to hold interests in, or perform services for, competitive businesses will not hinder your activities.

16.2.2 Restrictions During Term. Accordingly, you agree that, during the Term, you will not, without our and Wahlburgers' prior written consent, either directly or indirectly through any other person or entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any Wahlburgers Restaurant to any Competitive Business (as defined in subsection (d) below).

(b) Own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business (as defined in subsection (d) below).

(c) During the Term, there is no geographical limitation on these restrictions.

(d) As used in this Agreement, the term "Competitive Business" means any business, store, restaurant or location: **(i)** whose sales of hamburgers are reasonably likely to account for 10% or more of the food sales of the business in any calendar month; and/or **(ii)** whose method of operation or trade dress is similar to that used in the System. Notwithstanding the foregoing, the term "Competitive Business" does not include those businesses in which any of your owners or you have a direct or indirect, legal or beneficial interest and: **(A)** that had been in operation prior to the date of the first franchise-related agreement between you and us; or **(B)** that your owners or you had contracted to develop prior to the date of the first franchise-related agreement between you and us, provided those businesses are listed in Exhibit A ("Existing Businesses").

16.2.3 Restrictions After Termination, Expiration or Transfer. In light of your acknowledgments and agreements as set forth above, you agree as follows:

(a) For a period of 2 years following the expiration, termination or Transfer of this Agreement, you covenant and agree that you will not own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business that is (or is intended to be) located at or within 2 miles of the Casino or within 2 miles of any other Wahlburgers Restaurant.

(b) For a period of 2 years following the expiration or termination of this Agreement or a Transfer, you further covenant and agree that you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Subfranchised Location to any person, firm, partnership, corporation, or other entity which you know, or have reason to know, intends to operate a Competitive Business at the Subfranchised Location. You, by the terms of any conveyance selling, assigning, leasing or transferring your interest in the Subfranchised Location, must include restrictive covenants as are necessary to ensure that a Competitive Business that would violate this Section is not operated at the Subfranchised Location for this 2-year period, and you must take all steps necessary to ensure that these restrictive covenants become a matter of public record.

16.3 Modification. We and Wahlburgers have the right, in our or its sole discretion, to reduce the scope of any covenant in this Section 16 effective immediately upon your receipt of written notice, and you agree that you will comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of Section 24. If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the 12 month period following termination of this Agreement prior to the expiration of the Term, you fail to comply with your obligations under this Section, that period of noncompliance will not be credited toward your satisfaction of the 12 month obligation. Following the resolution of any dispute regarding the enforceability of this Section that is resolved in our and/or Wahlburgers' favor, the 12 month period (or such other period as may be deemed reasonable by the court) will run from the date of the resolution.

16.4 Applicability. The restrictions contained in this Section 16 apply to you, all 10% Owners and all guarantors under this Agreement. This Section 16 does not prohibit you, any 10% Owner or any guarantor under this Agreement from having: **(a)** interests in any other franchise-related agreement with us or our affiliates that remains in effect; or **(b)** ownership of less than 5% of the outstanding equity securities of any publicly-held corporation, as defined in the Securities and Exchange Act of 1934.

16.5 Enforcement. You agree that the existence of any claim you may have against us, our affiliates, Wahlburgers or its affiliates, or whether or not arising from this Agreement, will not constitute a defense to our or Wahlburgers' enforcement of this Section 16. You agree to pay all costs and expenses that we and/or Wahlburgers reasonably incurs in enforcing this Section 16, including reasonable attorneys' fees. You acknowledge that a violation of the terms of this Section 16 would result in irreparable injury to us and Wahlburgers for which no adequate remedy at law may be available. Accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 16. Such injunctive relief will be in addition to any other remedies that we and/or Wahlburgers may have.

16.6 Survival. The terms of this Section 16 will survive the termination, expiration, or any Transfer of this Agreement. The parties agree this Section 16 will be construed as independent of any other provision of this Agreement.

17 DEFAULT AND TERMINATION

17.1 Grounds for Termination. In addition to the grounds for termination stated elsewhere in this Agreement, we may terminate this Agreement, and the rights granted by this Agreement, by written notice to you, without giving you an opportunity to cure, upon the occurrence of any of the following events:

17.1.1 You (or your Operating Principal), the Subfranchised Restaurant's general manager, and/or any managerial personnel that we designate under Section 7.1.1 fail to complete the ITP.

17.1.2 You fail to open the Subfranchised Restaurant for business within 180 days after the Effective Date, unless we, in our sole discretion, extend this period to address unforeseen construction delays that are not within your control.

17.1.3 You are insolvent or unable to pay your creditors (including us); file a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against you a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization that is not dismissed within 60 days of the filing; you make an assignment for the benefit of creditors; or a receiver or trustee is appointed for you and not dismissed within 60 days of the appointment.

17.1.4 Execution is levied against your business or property; suit to foreclose any lien or mortgage against the equipment of the Subfranchised Restaurant is instituted against you and is not dismissed within 60 days; or the real or personal property of the Subfranchised Restaurant is sold after levy thereupon by any sheriff, marshal or constable.

17.1.5 There is a material breach of any obligation under Section 11 or 16.

17.1.6 We discover that you made a material misrepresentation or omitted a material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.

17.1.7 You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us.

17.1.8 You, any 10% Owner, any guarantor under this Agreement, your Operating Principal or any of your managers, members, officers or directors is convicted of, or pleads no contest to, a crime that we reasonably believe is likely to harm the reputation of the System or our goodwill.

17.1.9 Any Transfer that requires our prior written consent occurs without your having obtained that prior written consent.

17.1.10 You remain in default beyond the applicable cure period under: **(a)** your lease or foodservice contract with the Casino or any equipment lease or financing instrument relating to the Subfranchised Restaurant; or **(b)** any agreement with any vendor or supplier to the Subfranchised Restaurant.

17.1.11 You, your Operating Principal, any 10% Owner or any other entity that is a Wahlburgers franchisee and in which you, your Operating Principal or 10% Owner have a direct or indirect ownership interest remain in default beyond the applicable cure period under any other

agreement with us or our affiliates; provided that if the default is not by you, you are given written notice of the default and 10 days to cure the default.

17.1.12 You refuse to permit, or try to hinder, an examination or audit of your books and records or inspection of the Subfranchised Restaurant as permitted by this Agreement.

17.1.13 Any condition exists with respect to the Subfranchised Restaurant that, in our reasonable judgment, seriously jeopardizes public health or safety.

17.1.14 You lose the right to operate at the Subfranchised Location.

17.1.15 During any 12-month period, you fail to operate the Subfranchised Restaurant for 3 or more consecutive days, or 5 total days, that you were required to operate the Subfranchised Restaurant, unless we determine, in our sole discretion, that such failure was beyond your control.

17.1.16 An entity that is not a party to this Agreement is operating the Subfranchised Restaurant without our prior written consent.

17.1.17 The Master Agreement is terminated, and Wahlburgers elects not acquire any of Master Franchisee's rights in this Agreement.

17.2 Termination Following Expiration of Cure Period.

17.2.1 Except for those items listed in Sections 17.1, 17.2.2 and 17.2.3, you will have 30 days after written notice of default from us within which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. Notwithstanding the foregoing, if the default cannot be corrected within 30 days, you will have such additional time to correct the default as we believe to be reasonably required (not to exceed 90 days) provided that you begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 17.2.1 for any failure to materially comply with any of the requirements imposed by this Agreement or otherwise in writing, or to carry out the terms of this Agreement in good faith.

17.2.2 Notwithstanding the provisions of Section 17.2.1, if you fail to pay any monies owed to us or our affiliates when those monies become due and payable and you fail to pay those monies within 10 days after receiving written notice of default, this Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.

17.2.3 If you have received 2 or more notices of default under this Agreement within the previous 12 months, we will be entitled to send you a notice of termination upon your next default under this Agreement in that 12-month period without providing you an opportunity to remedy that default.

17.3 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Agreement, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

18 OBLIGATIONS ON TERMINATION OR EXPIRATION

18.1 Your Obligations. Upon termination or expiration of this Agreement for any reason, unless we direct you otherwise:

18.1.1 All rights and licenses granted to you under this Agreement (including, without limitation, rights to use the System, the Manual and the Proprietary Marks) will immediately terminate and any right, title, and interest claimed by you to any such matters will immediately revert to us without further notice or documentation.

18.1.2 You must immediately cease to operate the Subfranchised Restaurant and may not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of the System.

18.1.3 You will immediately and permanently cease to use, in any manner whatsoever, the System, the Proprietary Marks and the Manual.

18.1.4 You must promptly pay all sums owing to us, our affiliates, Wahlburgers', Wahlburgers' affiliates and your suppliers. These sums include, but are not limited to, the Royalty, Brand Fund Obligation, interest or other fees, damages, expenses and attorneys' fees incurred as a result of your default.

18.1.5 You must cease to use in advertising or in any manner the confidential methods, procedures and techniques associated with the System, including all proprietary recipes, ingredients, and processes.

18.1.6 You and all persons and entities subject to the restrictions contained in Section 16 will continue to abide by the restrictions contained in Section 16 and will not, directly or indirectly, take any action that violates those restrictions.

18.1.7 You must immediately cease to use, by advertising or in any other manner, the name "Wahlburgers," all other Proprietary Marks and all other distinctive forms, slogans, signs, symbols, web sites, domain names, email addresses, and devices associated with the System. If you subsequently begin to operate another business, you must not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks in connection with that business that is likely to cause confusion, mistake or deception, or which is likely to dilute Wahlburgers' exclusive rights in and to the Proprietary Marks, nor any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with us or Wahlburgers. Within 15 days, you must promptly take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any domain name registration that contains the name "Wahlburgers" or any other Proprietary Marks.

18.1.8 You must make modifications or alterations to the Subfranchised Location and the Subfranchised Restaurant immediately upon termination or expiration of this Agreement as necessary to prevent the operation of any business in violation of this Section 18 and any specific additional changes we reasonably request for that purpose. Upon our request, you must return to us, at our cost, any signage that we specify. If you fail to comply with this Section within 30 days following termination or expiration of this Agreement, we have the right to enter the premises, without being guilty of trespass or any other tort, for the purpose of removing signs and any other articles that display the Proprietary Marks or Trade Dress. You agree to reimburse us on demand for our expenses in making such changes.

18.1.9 You must immediately deliver to us all hard copies, and delete all electronic copies, of the Manual and all training materials, marketing materials, records, files, instructions, and correspondence in your possession or control that contain confidential information (as described in Section 16.1). You also must deliver to us all hard copies, and delete all electronic copies, of customer information and customer lists that you have compiled and uninstall any software that we have provided.

18.1.10 Unless you operate another Subfranchised Restaurant, within 15 days after termination, you must sell to us, and we will buy, all Branded Merchandise which you purchased from a designated supplier, Wahlburgers or us. You will pay all freight charges incurred in shipping these items to us or Wahlburgers and, except as described below, the purchase price for the Branded Merchandise will be the price paid by you less 10% for handling and restocking costs. We are not obligated to purchase, although we may purchase, Branded Merchandise that is no longer authorized for sale in Wahlburgers Restaurants or Branded Merchandise that is not in saleable and useable condition (as we determine). The purchase price for that Branded Merchandise will be separately negotiated. We may deduct from the monies to be paid to you for repurchase of the Branded Merchandise all monies that you owe to us.

18.2 Evidence of Compliance. You will furnish to us, within 30 days after the effective date of termination or expiration, evidence (certified to be true, correct and complete, by an officer, manager or 10% Owner) satisfactory to us of your compliance with Section 18.1.

18.3 Other Business Operations. You will not, except with respect to a Wahlburgers Restaurant franchised by us that is then open and operating pursuant to an effective Franchise Agreement: **(a)** operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or our affiliates or have any right to use the System or the Proprietary Marks; **(b)** make, use or avail yourself of any of the materials or information furnished or disclosed by us or our affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(c)** assist anyone not licensed by us to construct or equip a restaurant substantially similar to a Wahlburgers Restaurant.

19 FORCE MAJEURE

If the performance of any obligation by you or us under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, you and we will be relieved of your and our obligations (to the extent that you and we, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of the Force Majeure event. The party whose performance is affected by an event of Force Majeure will give prompt written notice of the Force Majeure event to the other party of the Force Majeure event and an estimate as to its duration.

As used in this Agreement, "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, pandemic, fire or other catastrophe, act of any government or a third party and any other cause not within the control of the affected party affected (including, without limitation, any act of terrorism). The existence of Force Majeure will not affect your obligation to pay us any monies owed to us when due. Your inability to obtain financing or pay us any monies owed to us (regardless of the reason) will not constitute Force Majeure.

20 RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, joint employer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the Term, you agree to hold yourself out to the public as an independent contractor operating the Subfranchised Restaurant under license from us, and you agree to exhibit a notice to that effect (the location and content of which we reserve the right to specify) in a conspicuous place at the Subfranchised Restaurant.

21 INDEMNIFICATION

You agree to defend, indemnify, and hold harmless us and our past, present and future affiliates, officers, directors, managers, members, shareholders, agents, attorneys, consultants, and employees against any claims, losses, costs, expenses, liabilities and damages (collectively, "Claims") arising directly or indirectly from, as a result of, or in connection with the Subfranchised Restaurant, as well as the costs of defending against such Claims (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs and interest). You promptly will give us written notice of any litigation, proceeding, or dispute filed or instituted against you that could directly or indirectly affect us or any of the other indemnitees under this Section and, upon request, you will furnish us with copies of any documents from such matters as we may request.

With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect us or any of the other indemnitees under this Section, we will have the right, but not the obligation, to: **(a)** choose counsel; **(b)** direct and control the handling of the matter; and/or **(c)** settle any claim against the indemnitees. Our exercise of these rights does not affect your obligation to indemnify and hold us harmless in accordance with this Section. This Section will survive the expiration or termination of this Agreement, and applies to Claims even if they exceed the limits of your insurance coverage.

22 CONSENTS, WAIVERS, NO WARRANTIES AND DISCRETION

22.1 Consents. Whenever our prior written approval, acceptance or consent is required under this Agreement, you agree to make a timely written request to us for such consent. Our approval, acceptance or consent must be in writing and signed by an authorized officer or manager to be effective.

22.2 Waivers. No delay or failure to exercise any right under this Agreement or to insist upon your strict compliance with any obligation or condition, and no custom or practice that differs from the terms of this Agreement, will constitute a waiver of Wahlburgers' or our right to exercise the contractual right or demand your strict compliance with the terms of this Agreement. Wahlburgers' or our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Wahlburgers' or our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. Wahlburgers' or our acceptance of any payments due from you does not waive any prior defaults.

22.3 No Warranties. Neither Wahlburgers nor we make any warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement and assume no liability or obligation to you therefor, or by reason of any neglect, delay, or denial of any request therefor. Neither Wahlburgers nor we will, by virtue

of any waivers, approvals, consents, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.

22.4 Approvals. Whenever this Agreement requires the approval, agreement, consent or release of Wahlburgers and/or us, Subfranchisee will make a timely written request to Wahlburgers and us for such approval, agreement, consent or release. To be effective and binding, any purported approval, agreement, consent or release must be recorded in a writing, obtained in advance of each event, action or circumstance that is a subject of the purported approval, agreement, consent or release and signed by our duly authorized officer (or, where applicable, Wahlburgers' duly authorized officer).

22.5 Discretion. Whenever Wahlburgers and/or we have a right and/or the discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Wahlburgers and/or we may make such decision or exercise the right and/or discretion on the basis of Wahlburgers' and/or our judgment of what is in the best interests of the System. Wahlburgers' and/or our judgment of what is in the best interests of the System, at the time the decision is made or the right or discretion is exercised, can be made without regard to whether: **(a)** other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Wahlburgers and/or us; **(b)** Wahlburgers' and/or our decision or the action taken promotes our financial or other individual interest; **(c)** our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or **(d)** Wahlburgers' and/or our decision or the action taken is adverse to your interests. Wahlburgers' and/or we will have no liability to you for any such decision or action. Wahlburgers and/or we and you intend that the exercise of the right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Wahlburgers and/or we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Wahlburgers and/or us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

23 NOTICES

Notices related to this Agreement will be effective upon receipt (or first rejection) and may be given by any of the following delivery methods: **(a)** certified or registered mail; **(b)** U.S. Priority Mail or national commercial delivery service (e.g., UPS, Federal Express); or **(c)** email (if receipt is verified within 24 hours of transmission). Notices sent by (a) or (b) must be sent to the addresses on the first page of this Agreement; however, we also may send notices addressed to you at the Subfranchised Location. If Master Franchisee or Subfranchisee sends a communication relating to this Agreement or any other agreement between Master Franchisee and/or its affiliates and Subfranchisee and/or its affiliates to the other party, Master Franchisee or Subfranchisee will send copies of that communication to Wahlburgers at 350 Lincoln Street, Suite 2501, Hingham, MA 02043, Attn: Chief Executive Officer. Email notices must be sent to the email address provided by the party. Either party can change its notice address by informing the other party.

24 ENTIRE AGREEMENT

Each element of this Agreement is essential and material. This Agreement, the Manual, the documents referred to in this Agreement and the attachments to this Agreement constitute the entire agreement between you and us with respect to the Subfranchised Restaurant at the Subfranchised Location and supersede all prior negotiations, representations, correspondence and agreements concerning the same subject matter. There are no other representations,

inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed in writing.

25 SEVERABILITY AND CONSTRUCTION

25.1 Severability. Each provision of this Agreement is severable from the others. If, for any reason, any provision is determined by a court to be invalid, the invalidity will not impair the operation of the remaining provisions of this Agreement. The latter will continue to be given full force and effect and bind us and you; the invalid provision(s) will be deemed not to be a part of this Agreement.

25.2 Survival. Each provision of this Agreement that, expressly, or by reasonable implication, is to be performed, in whole or in part, after the expiration, termination or Transfer of this Agreement will survive expiration, termination or Transfer.

25.3 Interpretation. This Agreement will not be interpreted in favor of or against any party based on a party's sophistication or based on the party that drafted this Agreement. Except as expressly otherwise provided, nothing in this Agreement is intended, or will be deemed, to confer any rights or remedies upon any person or legal entity other than you and us.

26 DISPUTE RESOLUTION

26.1 Tribal Peacemaking; Arbitration.

26.1.1 Claims Subject to Arbitration. Any claim between the parties arising out of or related to this Agreement or the parties' operations under this Agreement will first be subject to tribal Peacemaking; provided, however, that if this tribal Peacemaking is unable to successfully resolve the dispute through tribal Peacemaking within 30 days from the commencement of the tribal peacemaking process, such claims will be subject to arbitration.

26.2 Claims for Which Tribal Peacemaking and Arbitration are Not the Sole Remedy. In addition to being subject to tribal Peacemaking and arbitration, the following types of claims may be litigated as provided in Section 26.4 and 26.5: **(a)** claims involving the propriety of any termination of this Agreement; **(b)** claims involving actual or threatened disclosure or misuse of the Confidential Information; **(c)** claims involving the ownership, validity or use of the Proprietary Marks; **(d)** claims to enjoin a Transfer alleged to be in violation of Section 14; **(e)** claims by Master Franchisee or Wahlburgers to enforce the non-competition obligations or confidentiality obligations of Section 16; or **(f)** claims for payments owed to Master Franchisee or Wahlburgers.

Nothing in this Agreement will impair Master Franchisee's and/or Wahlburgers' right to seek and obtain, without posting bond, injunctive relief from a court against actual or threatened conduct that may cause Master Franchisee and/or Wahlburgers any loss or damage, including claims of the type described in Section 26.11 according to the usual equity rules (including the applicable rules for obtaining specific performance, restraining orders, preliminary injunctions or declaratory relief), together with such damages as Master Franchisee and/or Wahlburgers may have suffered as a result of such conduct. Subfranchisee agrees to pay all costs, including without limitation attorneys' fees (on a full indemnity basis), incurred by Master Franchisee and/or Wahlburgers in the event that Master Franchisee and/or Wahlburgers is successful in obtaining such relief.

26.3 Arbitration Rules and Procedures. Any arbitration between the parties will be conducted pursuant to the American Arbitration Association ("AAA") or its successor's then-prevailing arbitration and mediation rules ("Rules"), except as the AAA Rules are modified (to the extent permitted by U.S. federal law) by the following:

26.3.1 Demand and Selection of Arbitrator. Any demand for Arbitration will be filed with the AAA office nearest to the principal offices of Master Franchisee, unless Wahlburgers has either assumed Master Franchisee's rights and obligations under this Agreement or is named as a party in the Arbitration, in which case it will be filed with the AAA office nearest to the principal offices of Wahlburgers, in each case at the time the demand is filed. The arbitration will be conducted before one arbitrator selected in accordance with the AAA Rules.

26.3.2 Location and Language. The Arbitration will be conducted at a location designated by the arbitrator. The language of the Arbitration will be English.

26.3.3 Procedures. The arbitrator will follow applicable law and judicial precedent. The arbitrator will not entertain or permit any class or consolidated proceeding. The arbitrator will afford the Parties such reasonable discovery as the arbitrator deems appropriate.

26.3.4 Distribution of Costs. The arbitrator's fees will be borne equally by the parties. All other costs and expenses in connection with the arbitration will be borne initially by the party who incurs such expense or who requests a service (such as, without limitation, a transcript of a deposition or of the arbitration proceeding). At the conclusion of the arbitration proceeding, all costs and expenses (including, without limitation, attorneys' and accountants' fees (on a full indemnity basis)) of the prevailing party will be reimbursed by the party that does not prevail. If a party prevails on some but not all issues, the arbitrator will determine the manner in which such costs will be borne.

26.3.5 Decisions and Awards. The decision of the arbitrator will be final and binding on the parties, and the arbitrator's award will be the exclusive remedy between the parties with respect to all claims and issues arising out of the transaction(s) or occurrence(s) at issue, whether or not presented or pled to the arbitrator. In addition: **(a)** The arbitrator will have no authority to award consequential, punitive or exemplary damages. **(b)** Any award will be paid promptly, without deduction or offset. Judgment upon the award may be entered by any court of competent jurisdiction. **(c)** If the award is confirmed by a court of competent jurisdiction, a party challenging the award or resisting enforcement of a judgment entered upon the award will pay, to the extent permitted by law, all costs, attorneys' fees and expenses incurred by the other party in defending the award or seeking enforcement of the judgment. **(d)** The decision of the arbitrator will have no collateral estoppel effect with respect to a claim by or against any Person or business entity who is not a party to the arbitration.

26.3.6 Role of U.S. Law and the New York Convention. Any issue regarding arbitrability or the enforceability of these provisions in Section 26 will be governed by the U.S. Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and U.S. federal common law regarding arbitration. No state arbitration act or state arbitration rules will apply in or to any Arbitration. The provisions in Section 26 constitute, for purposes of the New York Convention respecting the enforceability of foreign arbitral awards, an agreement to arbitrate all claims identified in these provisions as being subject to arbitration.

26.3.7 Strict Confidentiality. The parties and their counsel, agents and employees will at all times maintain all aspects of any arbitration proceeding conducted under these provisions

in strict confidence and will make no disclosure of the same except to the limited extent required by law or with the consent of the other party.

26.4 Choice of Law. This Agreement and the relationship between the parties is governed by and will be construed in accordance with the laws of Little River Band of Ottawa Indians and where silent, federal law of the United States, without regard to conflicts of laws principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement and any claim arising out of, in connection with or in relation to, this Agreement, any other agreement between the parties or their affiliates, the relationship of the parties or any default.

26.5 Choice of Forum. With respect to claims that may be pursued by means other than arbitration, Subfranchisee will file any lawsuit against Master Franchisee in the federal or state court having jurisdiction in the city, county and state in which Master Franchisee has its principal offices as of the date such suit is filed; provided, however, that in the event Wahlburgers has either assumed Master Franchisee's rights and obligations under this Agreement or is named as a party in the suit, then the suit must be filed in the federal or state court having jurisdiction in the city, county and state in which Wahlburgers has its principal offices as of the date such suit is filed. Master Franchisee and/or Wahlburgers must file any suit against Subfranchisee: **(a)** in the federal or state court having jurisdiction in the city, county and state in which Master Franchisee and/or Wahlburgers, as applicable, has its principal offices as of the date such suit is filed; or **(b)** in any jurisdiction where Subfranchisee resides or does business, where any Subfranchised Restaurant is or was located or where the claim arose. Subfranchisee hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this Section.

26.6 Limitation of Actions. Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, regardless of when discovered. The preceding limitation period does not apply: **(a)** with respect to payments owed by one party to the other; **(b)** if prohibited by applicable law; or **(c)** if applicable law provides for a shorter limitations period.

26.7 Mutual Waivers. Each party waives the right to bring, or be a class member in, any class action or class proceeding against the other party, the right to trial by jury with respect to any claim against the other party and the right to consequential, punitive or exemplary damages against the other party.

26.8 Remedies Not Exclusive. Except as otherwise expressly provided in this Agreement, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law.

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

26.10 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

26.11 Injunctive Relief. Subfranchisee recognizes that any default by Subfranchisee is likely to cause irreparable harm to Wahlburgers, us, the Wahlburgers System, the Wahlburgers Restaurants and the Proprietary Marks. Therefore, Subfranchisee agrees that, in the event of any breach or threatened default under this Agreement, Wahlburgers and/or we will be entitled to injunctive relief (both preliminary and permanent) restraining that default, to declaratory relief and/or to specific performance. Any equitable remedies sought by Wahlburgers and/or us will be in addition to, and not in lieu of, all remedies and rights that Wahlburgers and/or us otherwise may have arising under applicable law or by virtue of any default by Subfranchisee.

26.12 Survival. The provisions of this Section 26 will survive the expiration or earlier termination of this Agreement.

27 MISCELLANEOUS

27.1 Counterparts and Signatures. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement may be signed using electronic signatures, and those signatures will have full legal force and effect.

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

27.3 Time. Time is of the essence of this Agreement for each provision in which time is a factor.

27.4 Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with the restrictions contained in Section 11 or 16 or the failure to comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security.

27.5 Control During Crisis Situation. If an event occurs at the Subfranchised Restaurant that has or reasonably may cause harm or injury to customers, guests or employees (*i.e.*, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, Data Breach, shootings, etc.) or may damage the Proprietary Marks, the System or the Wahlburgers reputation (collectively "Crisis Situation"), you must: **(a)** immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and **(b)** immediately inform us by telephone of the Crisis Situation. You must refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us, Wahlburgers or public health officials).

To the extent Wahlburgers and/or we deem appropriate, in Wahlburgers' or our sole and absolute discretion, we, our designee, Wahlburgers' or Wahlburgers' designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation,

conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Subfranchised Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, we, our designee, Wahlburgers' or Wahlburgers' designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we or Wahlburgers deem appropriate. You and your employees must cooperate fully with us, our designee, Wahlburgers or Wahlburgers' designee in our or Wahlburgers efforts and activities in this regard and will be bound by all further Crisis Situation procedures developed by us or Wahlburgers from time to time hereafter. The indemnification under Section 21 will include all losses and expenses that may result from the exercise by us or our designee of the management rights granted in this Section 27.5.

27.6 Compliance with U.S. Laws. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 ("Order"), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: **(a)** do not, and hereafter will not, engage in any terrorist activity; **(b)** are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and **(c)** are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

28 ACKNOWLEDGEMENTS

You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties will survive termination of this Agreement) that:

28.1 This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You have read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, have been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of your choosing, recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

28.2 We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement. We do not, by virtue of any approvals or advice provided to you, assume responsibility or liability to you or any third-party to which we would otherwise not be subject.

28.3 We have entered, and will continue to enter, into agreements with other franchisees. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements will not affect our ability to enforce our rights or your obligations under this Agreement.

28.4 The Initial Franchise Fee is not refundable for any reason.

28.5 We may change or modify the System, from time to time, including the Manual, and you will be required to make such expenditures as such changes or modifications in the System may require.

28.6 Nothing in this Agreement prohibits us or our affiliates from: **(a)** operating or licensing others to operate Wahlburgers Restaurants at any location during the Term other than in the Casino; **(b)** operating or licensing others to operate restaurants, other than Wahlburgers Restaurants, at any location; **(c)** utilizing the System or any part of the System in any manner other than operation by us or our affiliates of a Wahlburgers Restaurant at the Subfranchised Location; **(d)** manufacturing, distributing and selling, or causing to be manufactured, distributed and sold, food, goods, wares, merchandise, services, products and Branded Merchandise, whether or not authorized for sale at Wahlburgers Restaurants, under the Proprietary Marks or other trademarks, service marks, logos or commercial symbols, at wholesale or retail, at any location through any other method or channel of distribution, including, but not limited to, mail order and catalog, direct mail advertising, the Internet and other methods of distribution, regardless of the proximity to the Subfranchised Location; **(e)** developing and owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and/or **(f)** purchasing, being purchased by, merging or combining with, businesses that directly compete with Wahlburgers Restaurants.

28.7 You have not received from us or our affiliates or anyone acting on our behalf: **(a)** any representation of your potential sales, expenses, income, profit or loss; or **(b)** any representations as inducements to enter this Agreement.

28.8 Even though this Agreement contains provisions requiring you to operate the Subfranchised Restaurant in compliance with the System: **(a)** we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; **(b)** neither you nor we intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Manual; and **(c)** you are the sole employer of your employees and you and we are not joint employers.

28.9 You will be solely responsible for: **(a)** hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Subfranchised Restaurant; **(b)** the terms of their employment and compensation; and **(c)** the proper training of the employees in the operation of the Subfranchised Restaurant.

28.10 Your execution of this Agreement does not and will not conflict or interfere, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any third party to which you, any of your owners or any affiliate of yours is a party, including, but not limited to, any noncompetition provision.

28.11 In the event of a dispute between us, you and we have waived our right to a jury trial.

28.12 Wahlburgers is not a party to and will have no liability or obligation under this Agreement or any other agreement between you and/or your affiliates and us or our affiliates, unless Wahlburgers formally assumes the obligations of Master Franchisee in accordance with Exhibit B, in which case the obligations assumed by Wahlburgers will be limited to those expressly assumed by Wahlburgers, which arise after formal assumption of Master Franchisee's obligations, and the liability of Wahlburgers by reason of, or following, such an assumption will be limited by the express terms of the assumption.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

SUBFRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A
FRANCHISE INFORMATION

1. **Casino:** _____
2. **Subfranchised Location:** _____

3. **Service Format: (check one)**
 Full-Service
 Fast Casual
 Hybrid Full-Service/Fast Casual
4. **Initial Subfranchise Fee:** _____
5. **Renewal Fee:** _____
6. **Ownership:** The following is a list of all holders of a direct or indirect equity interest in you and their respective percentage interests:

Name	Address	Ownership Interest

7. **Operating Principal:** _____
8. **Existing Businesses:**

Name of Business	Description of Business

EXHIBIT B

SPECIAL RIGHTS OF WAHLBURGERS

1. ROLE OF WAHLBURGERS

1.1. Not a Party. Wahlburgers is not a party and will have no liability or obligation of any kind under the Agreement or any other agreement between Master Franchisee and Subfranchisee and/or its affiliates, unless Wahlburgers formally assumes (by a writing executed by a duly authorized officer of Wahlburgers) the obligations of Master Franchisee in accordance with this Exhibit B, in which case the obligations assumed by Wahlburgers will be limited to those expressly assumed by Wahlburgers, and the liability of Wahlburgers by reason of or following such an assumption will be limited by the express terms of the assumption. Without assuming any such obligations or associated liabilities of Master Franchisee, either formally or otherwise, Wahlburgers may periodically act for or on Master Franchisee's behalf to exercise any right or perform any obligation of Master Franchisee under the Agreement or any other agreement between Master Franchisee and Subfranchisee and/or its affiliates, and in such case, Subfranchisee will have no recourse to or against Wahlburgers for or relating to any such action.

1.2. Special Third Party Beneficiary. While not a party to the Agreement, Wahlburgers is a notified third party beneficiary of the Agreement and has a significant and material stake in the full compliance of Subfranchisee and Master Franchisee under the Agreement. Accordingly, the parties agree that: **(a)** Wahlburgers may periodically veto, override or reverse all or any decisions, approvals or other discretionary acts that Master Franchisee may periodically take under the Agreement whenever Wahlburgers determines a veto, override or reversal is necessary or important to the protection of the integrity or reputation of or goodwill associated with Wahlburgers, any Wahlburgers affiliate, the System, any Proprietary Mark, any Confidential Information, any Wahlburgers Restaurant (including the Subfranchised Restaurant) or System developers, franchisees, and licensees; **(b)** Wahlburgers may compel Master Franchisee and/or Subfranchisee to comply with the terms and conditions of the Agreement and any other agreement between Master Franchisee and Subfranchisee and/or its affiliates; and **(c)** Wahlburgers' approval must be granted before Subfranchisee can relocate or cease operations at the Subfranchised Restaurant.

1.3. Indemnification. Master Franchisee and Subfranchisee will indemnify, defend and hold harmless Wahlburgers, its affiliates, its or their successors, assigns and past and present stockholders, directors, officers, employees, agents, members, managers and representatives for exercising in good faith any right, power or authority under this Agreement or any other agreement between Master Franchisee and Subfranchisee and/or its affiliates provided under this Exhibit B or under the Master Agreement.

2. ASSIGNMENT

2.1. Irrevocable Consent.

(a) The parties hereby irrevocably and unconditionally consent to the immediate assignment in whole or in part of each right or obligation of Master Franchisee under the Agreement in favor of Wahlburgers or its designee as and to the extent Wahlburgers may in its sole and absolute discretion elect periodically, provided that any such assignment may only proceed if one or more of the following events has occurred: **(i)** the Master Agreement is terminated for any reason or expires by its terms; **(ii)** Wahlburgers has given Master Franchisee notice that Master Franchisee is in default under the Master Agreement, and Master Franchisee

fails to cure the default within the applicable cure period, if any; or (iii) Master Franchisee and Wahlburgers have agreed in writing to such assignment.

(b) Any such assignment will take effect as, when and to the extent directed by Wahlburgers or its designee, which may upon notice to Master Franchisee and Subfranchisee be revoked or rescinded for any reason by Wahlburgers at any time within 90 days after the effective date of the assignment, provided that if any such revocation or rescission occurs after the Master Agreement has terminated or expired, then Wahlburgers or its designee may terminate the Agreement and any other agreement between Master Franchisee and Subfranchisee and/or its affiliates immediately without any liability whatsoever to Master Franchisee or Subfranchisee.

2.2. No Procurement or Logistical Support. In connection with any such assignment,

Wahlburgers or its designee may in its sole and absolute discretion determine not to provide any services under Section 8 of the Agreement to Subfranchisee, in which case Wahlburgers or its designee will propose to Subfranchisee an adjustment to the Royalty Fee. If Wahlburgers or its designee and Subfranchisee fail in the determination of Wahlburgers to reach an agreement on such an adjustment within 30 days after notice by Wahlburgers or its designee, Wahlburgers or its designee may terminate the Agreement and any other agreement between Master Franchisee and Subfranchisee and/or its affiliates immediately without any liability whatever to Master Franchisee or Subfranchisee.

2.3. Power of Attorney. Master Franchisee and Subfranchisee hereby unconditionally and irrevocably appoint Wahlburgers as attorney-in-fact with full power and authority: (a) to execute in the names of Master Franchisee and Subfranchisee and for and on behalf of each of them all documents necessary to cause any such assignment under this Appendix C to be realized and perfected in favor of Wahlburgers or its designee; and (b) to receive or collect, for and on behalf of Master Franchisee and at Master Franchisee's sole cost and expense, all sums payable to Master Franchisee under or in connection with the Agreement. At Wahlburgers' request, Master Franchisee and Subfranchisee also will execute, in favor of Wahlburgers, powers of attorney in compliance with applicable law regarding the foregoing, although the failure to execute the powers of attorney will not affect the legality and enforceability of the power of attorney granted in this Section.

2.4. Payments.

(a) Upon notice of any assignment in favor of Wahlburgers or its designee under this Section 2, if such assignment affects any amounts payable by or for Subfranchisee to, or receivable by or for, Master Franchisee under or in connection with the Agreement or any Related Agreement: (i) Subfranchisee will thereafter pay or cause to be paid all such amounts and render all relevant performances under such agreements in favor of Wahlburgers or its designee; and (ii) Master Franchisee may not, without the approval of Wahlburgers, receive or collect, or cause to be received or collected for the account of Master Franchisee or otherwise, any such amounts.

(b) Without limiting the generality of the foregoing, after the Agreement is assigned in favor of Wahlburgers or its designee under this Section 2, Master Franchisee will immediately and without delay forward to Wahlburgers any amounts payable to or receivable by Wahlburgers under or in connection with the Agreement or any Related Agreement (whether by virtue of the assignment or otherwise) that Master Franchisee may have, control, receive or collect, without any deduction, withholding, offset or other reduction for any reason.

2.5. Liability of Master Franchisee after Assignment. Master Franchisee alone will be liable for any default of Master Franchisee under or in connection with the Agreement assigned in favor of Wahlburgers or its designee under this Section 2, regardless of the assignment, if the

default commences or occurs before the assignment or under or in connection with any obligations of Master Franchisee that survive the assignment.

2.6. Indemnification. Master Franchisee will forever indemnify, defend and hold harmless Wahlburgers, its affiliates, successors, assigns and past and present stockholders, directors, officers, members, managers, employees, agents and representatives from and against all Losses or Expenses incurred in connection with any Claim by or against Wahlburgers, its affiliates, successors, assigns and past and present stockholders, directors, officers, employees, agents, members, managers and representatives under the Agreement to the extent such Claims arise or accrue before the assignment, by reason of the assignment or under or in connection with any obligations of Master Franchisee that survived the assignment. For purposes of this section, "Losses or Expenses" includes, but will not be limited to: all losses; compensatory, exemplary and punitive damages; fines, charges, costs or expenses; lost profits or rents; reasonable attorneys' fees; expert witness fees; court costs; bank fees; settlement amounts; judgments; compensation for damages to the reputation and goodwill of any Indemnitee; costs of or resulting from delays; financing; costs of advertising material and media time/space of changing, substituting or replacing the same; all expenses of recalls, refunds, compensation or public notices; and other such amounts incurred in connection with the matters described, and "Claims" means any existing, anticipated or threatened difference, controversy, case, suit, action, proceeding, dispute, demand, cause of action, complaint, defense, affirmative defense, counterclaim, impleader, interpleader, third party or derivative claim, class action, investigation, petition for legal, equitable or declarative relief, inquiry, whether formal or informal, or other claim.

EXHIBIT C

GUARANTEE AND ASSUMPTION OF SUBFRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Wahlburgers Restaurant Subfranchise Agreement dated as of _____ ("Agreement") by _____ ("Master Franchisee"), entered into with _____ ("Subfranchisee"), the undersigned (collectively, "Guarantors") hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to Master Franchisee and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the restrictions contained in Section 16 of the Agreement.

2. Guarantee and Assumption of Subfranchisee's Obligations. Guarantors hereby: **(A)** guarantee to Master Franchisee and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Subfranchisee and any assignee of Subfranchisee's interest under the Agreement will: **(1)** punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and **(2)** punctually pay all other monies owed to Master Franchisee and/or its affiliates; **(B)** agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Section 16 and 21; and **(C)** agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Release. Each Guarantor (if an individual, on behalf of him/herself and his/her heirs, representatives, successors and assigns, and if a business entity, on behalf of itself and its parent, subsidiaries and affiliates) (collectively, "Releasors"), freely and without any influence, forever releases and covenants not to sue Master Franchisee, Wahlburgers Franchising LLC, or their parents, subsidiaries and affiliates and their respective past and present officers, directors, managers, members, shareholders, agents and employees, in their corporate and individual capacities (collectively, "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "claims"), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned, held, had or claimed to have, based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omissions occurring on or before the date of this Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Guarantee, the Agreement and all other agreements between any Releasor and any Releasee, the development and operation of the Subfranchised Restaurant and the development and operation of all other restaurants operated by any Releasor that are franchised by any Releasee. Releasors expressly agree that fair consideration has been given by Master Franchisee for this release, and they fully understand that this is a negotiated, complete and final release of all claims.

4. General Terms and Conditions. The following general terms and conditions will apply to this Guarantee:

A. Each of the undersigned waives: **(1)** acceptance and notice of acceptance by Master Franchisee of the foregoing undertakings; **(2)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(3)** protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby

guaranteed; (4) any right he/she/it may have to require that an action be brought against Subfranchisee or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Subfranchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Master Franchisee make demand upon, assert claims against or collect from Subfranchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Subfranchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) **any and all right to have any legal action under this Guarantee decided by a jury.**

B. Each of the undersigned consents and agrees that: (1) his/her/its direct and immediate liability under this Guarantee will be joint and several; (2) he/she/it will render any payment or performance required under the Agreement if Subfranchisee fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by Master Franchisee of any remedies against Subfranchisee or any other person; (4) such liability will not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Master Franchisee may from time to time grant to Subfranchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guarantee, which will be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Subfranchisee to Master Franchisee or its affiliates under the Agreement; and (5) monies received from any source by Master Franchisee for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Master Franchisee. In addition: (a) each Guarantor acknowledges that the obligations under this Guarantee will continue to remain in force and effect unless Master Franchisee in its sole discretion, in writing, releases him/her/it from this Guarantee; and (b) following any Transfer, the obligations of each Guarantor under this Guarantee will continue to remain in force and effect unless Master Franchisee in its sole discretion, in writing, releases the Guarantor from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Sections 16.2.3 of the Agreement will remain in force and effect for a period of 2 years after any such release by Master Franchisee. A release by Master Franchisee of any Guarantor will not affect the obligations of any other Guarantor.

C. If Master Franchisee brings a legal action to enforce this Guarantee, the prevailing party in such proceeding will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses will be determined by the court and not by a jury.

D. If Master Franchisee utilizes legal counsel (including in-house counsel employed by Master Franchisee or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned will reimburse Master Franchisee for any of the above-listed costs and expenses incurred by it.

E. If any of the following events occur, a default ("Default") under this Guarantee will exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by,

appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or **(4)** the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of each Guarantor will be due immediately and payable without notice. Upon the death of a Guarantor, the estate will be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

F. This Guarantee will inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Master Franchisee's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Master Franchisee. Any assignment will not release the undersigned from this Guarantee.

G. Section 26 of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee will have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature.

GUARANTORS:

Date: _____

Print Name: _____

Address: _____

Date: _____

Print Name: _____

Address: _____

EXHIBIT D
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

In consideration of the willingness of Wahlburgers Franchising LLC ("Wahlburgers") to permit me to review the confidential operating Manual ("Manual") before entering into an Area Development Agreement and/or Franchise Agreement, I agree, individually and as an officer, member or partner of any entity that may enter into an agreement with Wahlburgers, as follows:

1. As used in this Agreement, the term "Confidential Information" means all information contained in the Manual and all other information relating to the Wahlburgers System disclosed to me except: information which is now, or hereafter becomes, generally known (other than by unauthorized disclosure, whether deliberate or inadvertent, by myself or by any other person or entity with which I am affiliated); information that was in my possession at the time of receipt of the Manual; and information that comes into my possession after the date of this Agreement from a source not under an obligation of secrecy to Wahlburgers.
2. I agree not to make any use of the Confidential Information, not to make any copies of the Confidential Information and not to reveal any of the Confidential Information to any person who has not signed a Confidentiality Agreement with Wahlburgers.
3. This Agreement will be governed and construed in accordance with the laws of the state in which I reside.

Signature

Signature

Print Name

Print Name

Date: _____

EXHIBIT E
FINANCIAL STATEMENTS

WAHLBURGERS FRANCHISING LLC
FINANCIAL STATEMENTS
JANUARY 3, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Members of
Wahlburgers Franchising LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Wahlburgers Franchising, LLC (the Company), which comprise the balance sheet as of January 3, 2021, the related statements of operations, members' deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wahlburgers Franchising LLC as of January 3, 2021, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Clark Hirth, CPAs

Farmington, Connecticut
April 30, 2021

WAHLBURGERS FRANCHISING LLC
BALANCE SHEET
JANUARY 3, 2021

Assets

Current assets:	
Cash and cash equivalents	\$ 191,470
Accounts receivable	564,601
Due from affiliates	411,020
Prepaid expenses	1,381
Total current assets	<u>1,168,472</u>
Property and equipment:	
Office equipment	88,823
Leasehold improvements	84,610
Vehicles	247,324
	<u>420,757</u>
Less accumulated depreciation	197,537
Property and equipment, net	<u>223,220</u>
Total assets	<u>\$ 1,391,692</u>

Liabilities and Members' Deficit

Current liabilities:	
Forgivable loan	\$ 500,939
Accounts payable	762,395
Accrued expenses	371,615
Marketing fund liability	82,676
Deferred revenue	30,000
Total current liabilities	<u>1,747,625</u>
Long-term liabilities:	
Due to affiliates	5,097,046
Deferred revenue, net of current portion	1,180,000
Total long-term liabilities	<u>6,277,046</u>
Total liabilities	<u>8,024,671</u>
Members' deficit	<u>(6,632,979)</u>
Total liabilities and members' deficit	<u>\$ 1,391,692</u>

See Independent Auditors' Report and Notes to Financial Statements

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WAHLBURGERS FRANCHISING LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JANUARY 3, 2021

Franchise revenues:

Area development and franchise fees	\$ 1,035,000
Royalties and management/license fees	2,577,444
Advertising fees	333,039
Merchandise revenue	7,923
Food truck revenue	52,983
Other franchise income	<u>52,497</u>
Total revenues, net	<u><u>4,058,886</u></u>

Operating expenses:

Cost of sales	31,324
Salaries and wages	2,879,181
Other operating costs and expenses	1,176,757
General and administrative expenses	<u>1,542,982</u>
Total operating expenses	<u><u>5,630,244</u></u>

Other income/(expenses)	
Settlement expense	<u>(294,233)</u>
Net loss	<u><u>\$ (1,865,591)</u></u>

See Independent Auditors' Report and Notes to Financial Statements

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WAHLBURGERS FRANCHISING LLC
STATEMENT OF MEMBERS' DEFICIT
FOR THE YEAR ENDED JANUARY 3, 2021

Members' deficit at December 29, 2019	(4,767,388)
Net loss	(1,865,591)
Members' deficit at January 3, 2021	<u>\$ (6,632,979)</u>

See Independent Auditors' Report and Notes to Financial Statements
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WAHLBURGERS FRANCHISING LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 3, 2021

Cash flows from operating activities:	
Net loss	\$ (1,865,591)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	66,849
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(241,290)
Due from affiliates	1,528,026
Prepaid expenses and other assets	(100)
Increase (decrease) in:	
Accounts payable	6,906
Accrued expenses	227,979
Marketing fund liability	(21,246)
Due to affiliates	99,491
Deferred revenue	(310,000)
Net cash used by operating activities	<u>(508,976)</u>
Cash flows from financing activities:	
Proceeds from forgivable loan	<u>500,939</u>
Net cash provided by financing activities	<u>500,939</u>
Net decrease in cash and cash equivalents	(8,037)
Cash and cash equivalents, beginning of year	<u>199,507</u>
Cash and cash equivalents, end of year	<u>\$ 191,470</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ -
Income taxes	<u>\$ -</u>

See Independent Auditors' Report and Notes to Financial Statements

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 1 ORGANIZATION

Wahlburgers Franchising LLC (the “Company”) is a single member limited liability company organized in the state of Massachusetts and established on April 9, 2014. The Company is a wholly owned subsidiary of Wahlburgers Holding Company, LLC (“WHC”). The Company is a franchisor and licensor of restaurants in the better-burger segment of the restaurant industry, offering both fast casual and table service featuring a chef-inspired menu including burgers, sandwiches, salads, fries, tater tots, frappes as well as a full-service bar. The Company has franchise and license agreements with various operators to develop and operate the restaurants in the United States, Canada, Middle East and Germany.

A summary of franchise and affiliate-owned until activity is as follows:

	<u>Franchise</u>	<u>Affiliate-Owned</u>
Units operating at December 29, 2019	31	6
Units opened	27	-
Units closed	(9)	-
Units operating at January 3, 2021	<u>49</u>	<u>6</u>

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets generally accepted accounting principles in the United States of America (“GAAP”) that the Company follows to ensure its financial conditions, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification (“FASB ASC”).

Fiscal Year

The Company operates on a 52/53-week fiscal year ending on the Sunday closest to December 31. Fiscal year 2020 was 53 weeks and included the period from December 30, 2019 through January 3, 2021.

See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Company is a wholly owned subsidiary of WHC and is a disregarded entity for income tax purposes, and accordingly, the results of operations will be reported on the parent company's tax returns. As a result, the Company generally does not incur United States federal income taxes.

The Company accounts for uncertainties in tax positions, under the provisions of ASC 740 *Income Taxes*. Under these provisions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more than likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits in commercial banks. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in this account. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management considers the following factors when determining the collectability of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company believes all of its accounts receivable at January 3, 2021 are fully collectible, and accordingly, no allowance has been recorded.

Property and Equipment

Property and equipment are recorded at historical cost. Assets under development are included in construction in progress, with depreciation commencing upon placing the asset in service. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recognized in the statements of operations. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation of equipment is provided by the straight-line method over their estimated useful lives ranging from 3 to 7 years, except for leasehold improvements, which are amortized over the shorter of the terms of the related leases or their estimated useful lives. Depreciation expense for the year ended January 3, 2021 was \$66,849, and is included in general and administrative expenses in the statements of operations.

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition

The Company derives its revenues from franchise revenue, advertising fund revenue, transfer fees, sale of merchandise, and corporate- owned locations.

Franchise fees and royalties

Contract consideration from franchisees primarily consist of initial or renewal franchise fees, area development fees, sales-based royalties, sales-based advertising fund fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company also enters into area development agreements ("ADAs") which grant a franchisee the right to develop two or more franchise units. The Company collects an upfront area development fee for the grant of such rights. The initial franchise fees and upfront area development fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales based royalties and advertising fund fees are payable weekly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has elected to use the practical expedient for pre-opening activities and considers the following as a single performance obligation: assistance in selection of site; assistance in obtaining facilities and preparing facilities for their intended use; training of franchisee's personnel; preparation and distribution of manuals; bookkeeping, information technology, and advisory services; and inspection, testing and other quality control programs.

All other pre-opening activities have been determined to be highly interrelated and interdependent to access the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access our intellectual property over the term of each franchise agreement.

See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition– (Continued)

The Company estimates the standalone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees. Initial and renewal franchise fees related to the ADAs are recorded as contract receivable and contract liabilities at their contract transaction price.

Royalties are earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Merchandise revenue

A third party distributes merchandise on behalf of the Company. All revenue related to merchandise sold by the third party has been recorded at the time of sale, net of costs.

Corporate owned locations

The Company owns certain locations, and also has placed into service a food truck. Revenues are recognized at the time when the food and beverage sales are made to customers, net of sales tax. Additionally, the Company may charge labor to customers for corporate catering events, which is also recognized once the events are hosted. Discounts provided to customers are recognized as a reduction in sales at the time of sale.

See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition– (Continued)

Advertising Fund

The Company maintains an advertising fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Advertising fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has that the right to access its intellectual property and administration of the advertising fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the advertising fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When advertising fund fees exceed the related advertising fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Recently Issued But Not Yet Effective Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the operations statement. In June 2020, the FASB issued ASU 2020-05 which deferred the effective date of ASU 2016-02 for private companies to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact that the adoption of this new standard will have on the financial statements.

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by geographic region were as follows:

Northeastern United States	\$ 936,197
Midwestern United States	1,874,600
Southern United States	570,383
Western United States	626,171
Outside of the United States	<u>51,535</u>
	<u>\$ 4,058,886</u>

Revenue by timing of recognition were as follows:

Point in time:

Area development and franchise fees	\$ 745,000
Royalties and management/license fees	2,577,444
Franchise advertising fees	333,039
Merchandise revenues	7,923
Food truck revenue	52,983
Other franchise income	<u>52,497</u>
Total	<u>\$ 3,768,886</u>

Over time:

Area development and franchise fees	\$ 290,000
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See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES – (Continued)

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as 'Deferred revenues' on the accompanying balance sheets. A summary of significant changes in deferred franchise fees is as follows:

Deferred franchise revenues at beginning of year	\$ 280,000
Revenue recognized during the year	(745,000)
Write off of fees related to termination of agreements	-
Additions for initial franchise fees received	<u>705,000</u>
	<u>\$ 240,000</u>

Deferred franchise fees consisted of the following:

Franchise fees not yet opened	\$ 240,000
Opened franchise units	<u>-</u>
	<u>\$ 240,000</u>

The initial and renewal franchise fees on ADAs that remain uncollected as of January 3, 2021, are reflected as "Accounts receivable" in the accompanying balance sheets and the related contract liabilities are included in "Deferred revenues" in the accompanying balance sheets.

Significant changes in contract receivables and contract liabilities as of January 3, 2021, are as follows:

Deferred ADA revenues at beginning of year	\$ 1,240,000
Revenue recognized during the year	(290,000)
Write off of fees related to termination of agreements	-
Additions for ADA fees received	<u>20,000</u>
	<u>\$ 970,000</u>

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 4 RECENTLY ADOPTED ACCOUNTING STANDARDS

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, ASC 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost standards under U.S. GAAP, including industry-specific standards. Collectively, we refer to Topic 606 and Subtopic 340-40 as “ASC 606.” ASC 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company adopted ASC 606 effective December 29, 2019, using the modified retrospective transition method. The cumulative effect of initially applying ASC 606 for all contracts not yet completed or substantially completed as of December 29, 2019, was determined to be immaterial. As a result no adjustment to beginning members’ deficit was necessary.

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 4 RECENTLY ADOPTED ACCOUNTING STANDARDS – (Continued)

The Company elected to use the following transition practical expedient provided in ASC 606:

- ASC 606 was applied only to contracts that were not complete as of December 29, 2019.
- The measurement of the transaction price excludes all taxes assessed by governmental authority that are both imposed on and concurrent with a specific revenue producing transaction and collected by the Company from a customer.
- The value of unsatisfied performance obligations for contracts with an original expected length of one year or less has not been disclosed.
- The Company reflected the aggregate effect of all contract modifications that occurred prior to December 29, 2019, when:
 - identifying the satisfied and unsatisfied performance obligations,
 - determining the transaction price,
 - allocating the transaction price to the satisfied and unsatisfied performance obligations.

NOTE 5 RELATED PARTY TRANSACTIONS

Area development and franchise agreements

The Company has an area development agreement and franchise agreement with Wahlburgers Boston Developer Company LLC (“WBDC”), an affiliate under common control. During 2020, there were no area development and franchise fees paid to the Company by WBDC. Accordingly, \$40,000 of ADA fees paid by WBDC remain in deferred revenue on the accompanying balance sheets as of January 3, 2021. Additionally, WHC is a guarantor on the lease for this affiliate for the first restaurant opened under the ADA.

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 5 RELATED PARTY TRANSACTIONS – (Continued)

Due to/from affiliates

The Company and its affiliates share employee services and other expenses with the parent company, WHC and its subsidiaries, which pay a proportionate share of the operating expenses. In addition, certain costs incurred by WHC or its affiliates to provide support to the Company and/or individual franchisees during the construction and preopening phases of the restaurant have been charged to the Company. The Company also has management and license agreements with six associated affiliates under common control, Wahlburgers Lynnfield, LLC, Wahlburgers Fenway, LLC, Wahlburgers South Bay, LLC, WB Frisco, LLC, WB Myrtle Beach, and Paragon Funding Group III, LLC. The affiliates pay both a management and license fee to the Company based on a percentage of sales, as defined. Management and license fees earned by the Company during the year January 3, 2021, totaled \$584,007 and are included in royalties and management/license fees on the statement of operations. Brand fund contributors for these affiliates totaled \$81,895 for the year ended January 3, 2021, respectively. The net amounts due from affiliated noted above totaled \$1,533,278 as of January 3, 2021. Additionally, WHC is guarantor on the leases for these affiliates.

In addition, the Company has nineteen franchise agreements in which a shareholder of WHC, the parent company, is also a shareholder in the franchisee. Three of these franchised locations opened during 2020. For the year ended January 3, 2021, royalties and brand fund contributions from these franchisees were \$1,094,556. Amounts due from these franchisees were \$533,207 as of January 3, 2021, which are included in due from affiliates on the accompanying consolidated balance sheets.

An international affiliate has provided funding to the Company totaling \$5,097,046 as of January 3, 2021. The affiliate has agreed not to call the amount due before 2022, therefore the amount is included in noncurrent liabilities as of January 3, 2021.

See Independent Auditors' Report

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 6 EMPLOYEE BENEFITS

The Company established the Wahlburgers 401(k) Plan (the “Plan”) effective December 30, 2018. All employees of the Company who have completed at least one year of eligibility service, as defined, and who have attained the age of 21, except employees covered by a collective bargaining agreement, leased employees, or any employee who is a non-resident employee, are eligible to participate in the plan. The employer match is at management’s discretion. For the year ended January 3, 2021, the Company did not have an employer match.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to various legal claims arising in the normal course of business. Based on the information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the Company’s financial position or the results of future operations.

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WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 3, 2021

NOTE 8 SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had an are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Company, it is reasonably possible that estimated made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions. In response to the pandemic, the Company has initiated a travel ban, furloughed personnel, and reduced other recurring expenses where feasible. Additionally, the Company has requested a three-month rent deferral, received payment extensions on their corporate credit cards, and been approved for relief under the government’s Payment Protection Program (PPP) with a loan totaling \$500,939. This PPP loan was funded on May 8, 2020. The Company has applied for and anticipates being granted forgiveness for all of the PPP loan in 2021. The Company has been approved for relief under the government’s Payroll Protection Program (PPP) Second Draw with a loan totaling \$701,313. This PPP loan was funded on March 1, 2021. Under the terms of the PPP loan, interest will accrue on the outstanding principal at the rate of 1.0% per annum. The term of the PPP loan is five years. The Company may apply for and be granted forgiveness for all or part of the PPP loan. To the extent the loan amount is not forgiven, the Company is obligated to make equal monthly payments of principal and interest.

The Company has evaluated all subsequent events through April 30, 2021, the date which the financial statements were available to be issued. During this period, no subsequent events occurred, other than what is currently disclosed, which require disclosure or accrual in the consolidated financial statements.

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Wahlburgers Franchising LLC

Financial Report
December 29, 2019

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RSM US LLP

Independent Auditor's Report

To the Member of
Wahlburgers Franchising LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Wahlburgers Franchising LLC (the Company), which comprise the balance sheets as of December 29, 2019 and December 30, 2018, the related statements of operations, member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wahlburgers Franchising LLC as of December 29, 2019 and December 30, 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that Wahlburgers Franchising LLC will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, has a net member's deficit, and has stated that substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

RSM US LLP

Boston, Massachusetts
August 5, 2020

Wahlburgers Franchising LLC

Balance Sheets

December 29, 2019 and December 30, 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 199,507	\$ 794,877
Accounts receivable	323,311	192,708
Due from affiliates	1,939,046	2,110,162
Prepaid expenses	1,281	-
Total current assets	2,463,145	3,097,747
Property and equipment:		
Office equipment	88,823	49,914
Leasehold improvements	84,610	43,325
Vehicles	247,324	247,324
	420,757	340,563
Less accumulated depreciation	(130,688)	(49,198)
Property and equipment, net	290,069	291,365
Other assets:		
Deposits	-	4,800
Total assets	\$ 2,753,214	\$ 3,393,912
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable	\$ 755,489	\$ 260,925
Accrued expenses	143,636	128,148
Marketing fund liability	103,922	152,336
Due to affiliates	-	5,359,400
Deferred revenue	300,000	145,000
Total current liabilities	1,303,047	6,045,809
Long-term liabilities:		
Due to affiliates, net of current portion	4,997,555	-
Deferred revenue, net of current portion	1,220,000	1,365,000
Total liabilities	6,217,555	1,365,000
Member's deficit	(4,767,388)	(4,016,897)
Total liabilities and member's deficit	\$ 2,753,214	\$ 3,393,912

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Operations

Years Ended December 29, 2019 and December 30, 2018

	2019	2018
Franchise revenues:		
Area development and franchise fees	\$ 375,000	\$ 507,000
Royalties and management/license fees	4,988,239	4,465,409
Merchandise revenue	134,843	99,273
Food truck revenue	295,637	109,910
Other franchise income	28,000	4,000
	5,821,719	5,185,592
Operating expenses:		
Cost of sales	118,333	218,937
Salaries and wages	2,597,800	2,434,708
Other operating costs and expenses	1,389,561	1,135,350
General and administrative expenses	2,222,502	2,358,315
Total operating expenses	6,328,196	6,147,310
Net loss	\$ (506,477)	\$ (961,718)

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Member's Deficit
Years Ended December 29, 2019 and December 30, 2018

Member's deficit at December 31, 2017	\$ (3,055,179)
Net loss	(961,718)
<hr/>	<hr/>
Member's deficit at December 30, 2018	(4,016,897)
Distributions to member	(244,014)
Net loss	(506,477)
<hr/>	<hr/>
Member's deficit at December 29, 2019	\$ (4,767,388)

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Cash flows

Years Ended December 29, 2019 and December 30, 2018

	2019	2018
Cash flows from operating activities:		
Net loss	\$ (506,477)	\$ (961,718)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	81,490	41,960
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(130,603)	122,032
Due from affiliates	171,116	(675,712)
Inventories	-	222,123
Deposits	4,800	-
Prepaid expense	(1,281)	-
Increase (decrease) in:		
Accounts payable	494,564	(185,490)
Accrued expenses	15,488	(22,165)
Marketing fund liability	(48,414)	149,201
Due to affiliates	(361,845)	2,386,768
Deferred revenue	10,000	(292,000)
Net cash (used in) provided by operating activities	(271,162)	784,999
Cash flows from investing activities:		
Purchase of property and equipment	(80,194)	(18,978)
Net cash used in investing activities	(80,194)	(18,978)
Cash flows from financing activities:		
Distributions to member	(244,014)	-
Net cash used in financing activities	(244,014)	-
Net (decrease) increase in cash and cash equivalents	(595,370)	766,021
Cash and cash equivalents, beginning of year	794,877	28,856
Cash and cash equivalents, end of year	\$ 199,507	\$ 794,877
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See notes to financial statements.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 1. Nature of Operations

Wahlburgers Franchising LLC (the "Company") is a single member limited liability company organized in the state of Massachusetts and established on April 9, 2014. The Company is a wholly owned subsidiary of Wahlburgers Holding Company, LLC ("WHC"). The Company is a franchisor and licensor of restaurants in the better-burger segment of the restaurant industry, offering both fast casual and table service featuring a chef-inspired menu including burgers, sandwiches, salads, fries, tater tots, frappes as well as a full service bar. The Company has franchise and license agreements with various operators to develop and operate the restaurants in the United States, Canada, and the Middle East. In addition, until 2018, the Company sold merchandise, including staff uniforms, to franchisee restaurants and the general public. In 2018, the Company licensed the rights to sell the merchandise to a third party. A summary of franchise and affiliate-owned unit activity is as follows:

	Franchise	Affiliate-Owned
Units operating at December 30, 2018	26	3
Units opened	5	3
Units closed	(1)	-
Units operating at December 29, 2019	<u>30</u>	<u>6</u>

All but two franchised locations operate in the United States.

The accompanying financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company has experienced recurring net losses from operations over the past several years and has been unable to generate sufficient cash flow to fund operations, relying on borrowings from affiliates. In addition, the global pandemic, discussed more in Note 7, has forced various franchisees to close and/or limit the capacity within their locations, and the Company is unsure how long these conditions may improve or worsen over the coming year. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date the financial statements are issued.

Management plans include selling additional franchise locations, cost cutting measures including furloughs and/or lay-offs, and additional capital calls, if required. The success of management's plan cannot be assured, as it is dependent upon future events and circumstances whose outcome cannot be anticipated. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles in the United States of America ("GAAP") that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("FASB ASC").

Fiscal year: The Company operates on a 52/53 week fiscal year ending on the Sunday closest to December 31. Fiscal year 2019 was 52 weeks and included the period from December 31, 2018 through December 29, 2019. Fiscal year 2018 was 52 weeks and included the period from January 1, 2018 through December 30, 2018.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents include cash on hand and deposits in commercial banks. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in this account. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

Accounts receivable: Accounts receivable consists primarily of amounts due to the Company from its franchisees for royalties. The Company uses the specific identification method to account for losses arising from uncollectable accounts receivable. Under this method, the Company estimates the allowance based on the analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company believes all of its accounts receivable at December 29, 2019 and December 30, 2018, are fully collectible, and accordingly, no allowance has been recorded.

Inventory: Inventory cost was determined using the first-in, first-out method. Inventory included staff uniforms and other merchandise available for sale to franchisees and the general public. Inventory was stated at the lower of cost or net realizable value. In 2018, all merchandise inventory was sold at cost to a third party distributor who will sell merchandise online and to the restaurants going forward. As of December 29, 2019 and December 30, 2018, the Company had no inventory balances.

Property and equipment: Property and equipment are recorded at historical cost. Assets under development are included in construction in progress, with depreciation commencing upon placing the asset in service. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recognized in the statements of operations. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation of equipment is provided for by the straight-line method over their estimated useful lives ranging from 3 to 7 years, except for leasehold improvements, which are amortized over the shorter of the terms of the related leases or their estimated useful lives. Depreciation expense for the years ended December 29, 2019 and December 30, 2018 was \$81,490 and \$41,960, respectively, and is included in general and administrative expenses in the statements of operations.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue recognition: Revenues are recognized in accordance with FASB ASC 952-605-25, *Franchisors Revenue Recognition*, when the Company has performed substantially all of its obligations as a franchisor or licensor, and consist of the following:

Area development and franchise fees: Area development fees are the result of the sale of area development rights to third parties, which provide franchisees the opportunity to open a specified number of Wahlburgers restaurants in a predetermined geographic area. The area development fee is a fixed fee per location to be developed under the Area Development Agreement ("ADA"). This fee is generally paid at the time of the signing of the ADA and is recognized in proportionate amounts upon opening of each location under the ADA.

Franchise fees are paid at the time an individual franchise agreement is signed, and are recognized when all material services relating to the sale have been substantially performed. Usually, when the related franchised restaurant is opened.

For international business, an affiliate of the Company sells master territory and/or license agreements that typically allows the master licensee to either act as the franchisee or to sub-franchise to other operators. Master license and territory fees are generally recognized in proportionate amounts upon opening of each location under the agreements.

Area development and franchise fees that have been paid to the Company but not earned are recorded as deferred revenue.

In 2018, the Company recognized \$117,000 in fees related to terminated ADA and Franchise agreements, which is included in area development and franchise fee revenue on the statements of operations. In 2019, there were no terminated ADA or Franchise agreements, but the Company recognized \$30,000 in fees related to the expiration of an ADA agreement which is included in area development and franchise fee revenue on the statements of operations.

Royalties and license fees: The Company charges royalties and/or license fees to franchisees and licensees based on a percentage of gross location sales, as defined in each respective franchise or license agreement. Royalties and license fees are recorded as revenue as earned.

Merchandise revenue: The Company recognizes merchandise revenue, net of sales tax, discounts, returns, and allowances, when there is persuasive evidence of an arrangement, title and risk of loss have passed, delivery or shipment to customer has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. As discussed above, during 2018, the Company hired a third party to distribute the merchandise on a go forward basis. All revenue related to merchandise sold by the third party has been recorded at the time of sale, net of costs.

Food truck revenue: In 2018, the Company placed into service a food truck. Revenues are recognized at the time when the food and beverage sales are made to customers, net of sales tax. Additionally the Company may charge labor to customers for corporate catering events, which is also recognized once the events are hosted. Discounts provided to customers are recognized as a reduction in sales at the time of sale.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Advertising: The Company maintains a system-wide marketing and advertising fund (the "Brand Fund"). Franchisees and licensees are required to contribute a designated portion of restaurant sales, as defined, to the Brand Fund, which is used for marketing and advertising efforts related to the Wahlburgers brand. Contributions from franchisees and licensees related to the Brand Fund constitute agency transactions and are not recognized as revenues and expenses. Advertising funds collected are recorded as a liability. Advertising costs incurred are charged against this liability. As of December 29, 2019 and December 30, 2018 the Company held a marketing fund liability balance of \$103,922 and \$152,336, respectively, as funds collected during the respective year exceed expenditures. Such amounts are not required to be segregated as restricted under the terms of the current Franchise Disclosure Document.

Advertising and marketing costs of the Company are expensed as incurred. Advertising and marketing expense was \$53,516 and \$63,318 for the years ended December 29, 2019 and December 30, 2018, respectively.

Income taxes: The Company is a wholly owned subsidiary of WHC and is a disregarded entity for income tax purposes, and accordingly, the results of operations will be reported on the parent company's tax returns. As a result, the Company generally does not incur United States federal income taxes.

The Company accounts for uncertainties in tax positions, under the provisions of ASC 740 *Income Taxes*. Under these provisions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Recent accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP and permits the use of either a full retrospective or modified retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2014-09 one additional year for companies that are not public business entities, making it effective for annual reporting periods beginning after December 15, 2019. The Company has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. This ASU revises the principal vs. agent guidance originally included in ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance in ASC 606, including the revisions made by ASU 2016-08, is effective upon the adoption of ASU 2014-09. The Company is currently evaluating the effect that the standard will have on the financial statements.

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net loss or member's deficit.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 3. Deferred Revenue

As of December 29, 2019, deferred revenue includes area development fees of \$1,240,000 and initial franchise fees of \$280,000. As of December 30, 2018, deferred revenue includes area development fees of \$1,280,000 and initial franchise fees of \$230,000. Area development fees and franchise fees will be recognized when substantial performance under the agreements is performed.

Note 4. Related Party Transactions

Area development and franchise agreements: The Company has an area development agreement and franchise agreement with Wahlburgers Boston Developer Company LLC ("WBDC"), an affiliate under common control. During 2019, area development and franchise fees paid to the Company by WBDC totaled \$75,000. During 2018, area development fees of \$10,000 and initial franchise fees of \$25,000 were recognized as revenue upon the opening of one franchise location. No fees paid by WBDC were recognized as revenue during 2019. Accordingly, \$40,000 of ADA fees paid by WBDC remain in deferred revenue on the accompanying balance sheets as of December 29, 2019 and December 30, 2018. Additionally, WHC is a guarantor on the lease for this affiliate for the first restaurant opened under the ADA.

Due to/from affiliates: The Company and its affiliates share employee services and other expenses with the parent company, WHC and its subsidiaries, which pay a proportionate share of the operating expenses. In addition, certain costs incurred by WHC or its affiliates to provide support to the Company and/or to individual franchisees during the construction and preopening phase of the restaurants have been charged to the Company. The Company also has management and license agreements with six affiliates under common control, Wahlburgers Lynnfield, LLC, Wahlburgers Fenway, LLC, Wahlburgers South Bay, LLC, WB Frisco, LLC, WB Myrtle Beach, LLC, and Paragon Funding Group III, LLC. The affiliates pay both a management and license fee to the Company based on a percentage of sales, as defined. Management and license fees earned by the Company during the years ended December 29, 2019 and December 30, 2018 totaled \$819,233 and \$407,249, respectively and are included in royalties and management/license fees on the statements of operations. Brand fund contributions for these affiliates totaled \$144,357 and \$66,350 for the years ended December 29, 2019 and December 30, 2018, respectively. The net amounts due from affiliates noted above totaled \$1,845,470 and \$1,516,768 as of December 29, 2019 and December 30, 2018, respectively. Additionally, WHC is a guarantor on the leases for these affiliates.

In addition, the Company has twelve franchise agreements in which a shareholder of WHC, the parent company, is also a shareholder in the franchisee. Three of these franchised locations opened in both 2018 and 2019. For the year ended December 29, 2019, royalties and brand fund contributions from these twelve franchisees were \$1,125,328, and \$206,032 respectively. For the year ended December 30, 2018, royalties and brand fund contributions from the nine franchisees in operation were \$1,187,316 and \$200,903, respectively. Amounts due from these franchisees were \$93,575 and \$40,178 as of December 29, 2019 and December 30, 2018, respectively, which are included in due from affiliates on the accompanying balance sheets.

An international affiliate has provided funding to the Company totaling \$4,997,555 and \$4,806,183 as of December 29, 2019 and December 30, 2018, respectively. The affiliate has agreed not to call the amount due before 2021, therefore the amount is included in noncurrent liabilities as of December 29, 2019.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 5. Commitments and Contingencies

Litigation: On February 21, 2017, certain minority members of WHC (the "Plaintiffs"), holding an approximately 10% profit interest of WHC, filed a Complaint against certain members of WHC, including certain individuals and related entities, whom together constitute the majority of the voting and profit interest of WHC (the "Defendants"). The Complaint alleges a breach of fiduciary duty owed to the plaintiffs, a breach of the terms of the operating agreement of WHC and other misrepresentations regarding certain investment opportunities. The Defendants moved to dismiss the Complaint on the basis that the Complaint failed to state a legal claim upon which relief could be granted. The Court denied the motion but invited the Defendants to submit a motion for summary judgment (which would likewise dispose of the claims before trial) pending further development of the factual record through discovery. Accordingly, the parties have been actively engaged in fact discovery including document production and oral depositions. During 2019, the parties agreed to a settlement that resulted in one shareholder purchasing the member's interest of one of the plaintiffs. The second plaintiff dropped the suit.

The Company is subject to various legal claims arising in the normal course of business. Based on the information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the Company's financial position or the results of future operations.

Note 6. Employee Benefits

The Company established the Wahlburgers 401(k) Plan (the "Plan") effective January 1, 2018. All employees of the Company who have completed at least one year of eligibility service, as defined, and who have attained the age of 21, except employees covered by a collective bargaining agreement, leased employees, or any employee who is a non-resident employee, are eligible to participate in the plan. The employer match is at management's discretion. For the years ended December 29, 2019 and December 30, 2018, the Company incurred expenses of approximately \$1,900 and \$7,500, respectively, to fund the plan.

Note 7. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Company, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions. In response to the pandemic, the Company has initiated a travel ban, furloughed personnel, and reduced other recurring expenses where feasible. Additionally, the Company has requested a three-month rent deferral, received payment extensions on their corporate credit cards, and been approved for relief under the government's Payment Protection Program (PPP) with a loan totaling \$500,939. This PPP loan was funded on May 8, 2020.

The Company has evaluated all subsequent events through August 5, 2020, the date which the financial statements were available to be issued. During this period, no subsequent events occurred, other than what is currently disclosed, which require disclosure or accrual in the consolidated financial statements.

Wahlburgers Franchising LLC

Financial Report
December 30, 2018

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Independent Auditor's Report

RSM US LLP

To the Member of
Wahlburgers Franchising LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Wahlburgers Franchising LLC (the Company), which comprise the balance sheets as of December 30, 2018 and December 31, 2017, the related statements of operations, member's deficit and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wahlburgers Franchising LLC as of December 30, 2018 and December 31, 2017, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Boston, Massachusetts
April 30, 2019

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Wahlburgers Franchising LLC

Balance Sheets

December 30, 2018 and December 31, 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 794,877	\$ 28,856
Accounts receivable	195,771	317,803
Due from affiliates	691,430	15,718
Inventories	-	222,123
Total current assets	1,682,078	584,500
Property and equipment:		
Office equipment	49,914	28,041
Leasehold improvements	43,325	43,325
Vehicle	247,324	250,219
Less accumulated depreciation	(49,198)	(7,238)
Property and equipment, net	291,365	314,347
Other assets:		
Deposits	4,800	4,800
Total assets	\$ 1,978,243	\$ 903,647
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable	\$ 223,811	\$ 409,301
Accrued expenses	280,484	153,448
Due to affiliates	3,980,845	1,594,077
Deferred revenue	145,000	225,000
Total current liabilities	4,630,140	2,381,826
Long term liabilities:		
Deferred revenue, net of current portion	1,365,000	1,577,000
Total liabilities	1,365,000	1,577,000
Member's deficit	(4,016,897)	(3,055,179)
Total liabilities and member's deficit	\$ 1,978,243	\$ 903,647

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Operations

Years Ended December 30, 2018 and December 31, 2017

	2018	2017
Franchise revenues:		
Area development and franchise fees	\$ 507,000	\$ 400,000
Royalties and management/license fees	4,465,409	3,413,534
Merchandise revenue	99,273	576,460
Food truck revenue	109,910	-
Other franchise income	4,000	-
	5,185,592	4,389,994
Operating expenses:		
Cost of sales	218,937	512,776
Salaries and wages	2,434,708	1,674,536
Other operating costs and expenses	1,135,350	892,485
General and administrative expenses	2,358,315	1,948,039
Total operating expenses	6,147,310	5,027,836
Net loss	\$ (961,718)	\$ (637,842)

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Member's Deficit

Years Ended December 30, 2018 and December 31, 2017

Member's deficit - January 1, 2017	\$ (1,145,908)
Distributions to member	(1,271,429)
Net loss	(637,842)
Member's deficit - December 31, 2017	(3,055,179)
Net loss	(961,718)
Member's deficit - December 30, 2018	\$ (4,016,897)

See notes to financial statements.

Wahlburgers Franchising LLC

Statements of Cash flows

Years Ended December 30, 2018 and December 31, 2017

	2018	2017
Cash flows from operating activities:		
Net loss	\$ (961,718)	\$ (637,842)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	41,960	7,238
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash	-	521,429
Accounts receivable	122,032	(217,042)
Due from affiliates	(675,712)	(7,716)
Inventories	222,123	(135,155)
Deposits	-	11,759
Increase (decrease) in:		
Accounts payable	(185,490)	322,756
Accrued expenses	127,036	3,777
Due to affiliates	2,386,768	1,190,341
Deferred revenue	(292,000)	455,000
Net cash provided by operating activities	784,999	1,514,545
Cash flows from investing activities:		
Purchase of property and equipment	(18,978)	(321,585)
Net cash used in investing activities	(18,978)	(321,585)
Cash flows from financing activities:		
Distributions to member	-	(1,271,429)
Net cash used in financing activities	-	(1,271,429)
Net increase in cash and cash equivalents	766,021	(78,469)
Cash and cash equivalents, beginning of year	28,856	107,325
Cash and cash equivalents, end of year	\$ 794,877	\$ 28,856
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See notes to financial statements.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 1. Nature of Operations

Wahlburgers Franchising LLC (the "Company") is a single member limited liability company organized in the state of Massachusetts and established on April 9, 2014. The Company is a wholly owned subsidiary of Wahlburgers Holding Company, LLC ("WHC"). The Company is a franchisor and licensor of restaurants in the better-burger segment of the restaurant industry, offering both fast casual and table service featuring a chef-inspired menu including burgers, sandwiches, salads, fries, tater tots, frappes as well as a full service bar. The Company has franchise and license agreements with various operators to develop and operate the restaurants in the United States and Canada. In addition, the Company sells merchandise, including staff uniforms, to franchisee restaurants and the general public. A summary of franchise and affiliate-owned unit activity is as follows:

	Franchise	Affiliate-Owned
Units operating at December 31, 2017	18	3
Units opened	10	-
Units closed	(2)	-
Units operating at December 30, 2018	<u>26</u>	<u>3</u>

All but two franchised locations operate in the United States.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles in the United States of America ("GAAP") that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("FASB ASC").

Fiscal year: The Company operates on a 52/53 week fiscal year ending on the Sunday closest to December 31. Fiscal year 2018 was 52 weeks and included the period from January 1, 2018 through December 30, 2018. Fiscal year 2017 was 52 weeks and included the period from January 2, 2017 through December 31, 2017.

Use of estimates: The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents include cash on hand and deposits in commercial banks. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in this account. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts receivable: Accounts receivable consists primarily of amounts due to the Company from its franchisees for royalties. The Company uses the specific identification method to account for losses arising from uncollectable accounts receivable. Under this method, the Company estimates the allowance based on the analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company believes all of its accounts receivable at December 30, 2018 and December 31, 2017, are fully collectible, and accordingly, no allowance has been recorded.

Inventory: Inventory is stated at the lower of cost or net realizable value. Cost is determined the first-in, first-out method. Inventory includes staff uniforms and other merchandise available for sale to franchisees and the general public. In 2018, all merchandise inventory was sold at cost to a third party distributor who will sell merchandise online and to the restaurants going forward.

Property and equipment: Property and equipment are recorded at historical cost. Assets under development are included in construction in progress, with depreciation commencing upon placing the asset in service. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recognized in the statements of operations. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation of equipment is provided for by the straight-line method over their estimated useful lives ranging from 3 to 7 years, except for leasehold improvements, which are amortized over the shorter of the terms of the related leases or their estimated useful lives. Depreciation expense for the years ended December 30, 2018 and December 31, 2017 was \$41,960 and \$7,238, respectively, and is included in general and administrative expenses in the statements of operations.

Revenue recognition: Revenues are recognized in accordance with FASB ASC 952-605-25, *Franchisors Revenue Recognition*, when the Company has performed substantially all of its obligations as a franchisor or licensor, and consist of the following:

Area development and franchise fees: Area development fees are the result of the sale of area development rights to third parties, which provide franchisees the opportunity to open a specified number of Wahlburgers restaurants in a predetermined geographic area. The area development fee is a fixed fee per location to be developed under the Area Development Agreement ("ADA"). This fee is generally paid at the time of the signing of the ADA and is recognized in proportionate amounts upon opening of each location under the ADA.

Franchise fees are paid at the time an individual franchise agreement is signed and are recognized when all material services relating to the sale have been substantially performed, usually, when the related franchised restaurant is opened.

For international business, an affiliate of the Company sells master territory and/or license agreements that typically allows the master licensee to either act as the franchisee or to sub-franchise to other operators. Master license and territory fees are generally recognized in proportionate amounts upon opening of each location under the agreements.

Area development and franchise fees that have been paid to the Company but not earned are recorded as deferred revenue.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Area development and franchise fees (continued): In 2018, the Company recognized \$117,000 in fees related to terminated ADA and Franchise agreements which is included in area development and franchise fee revenue on the statements of operations. There were no such fees for terminated agreements recognized in 2017.

Royalties and license fees: The Company charges royalties and/or license fees to franchisees and licensees based on a percentage of gross location sales, as defined in each respective franchise or license agreement. Royalties and license fees are recorded as revenue as earned.

Merchandise revenue: The Company recognizes merchandise revenue, net of sales tax, discounts, returns, and allowances, when there is persuasive evidence of an arrangement, title and risk of loss have passed, delivery or shipment to customer has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. As discussed above, during 2018, the Company hired a third party to distribute the merchandise on a go forward basis.

Food truck revenue: In 2018, the Company placed into service a food truck. Revenues are recognized at the time when the food and beverage sales are made to customers, net of sales tax. Additionally the Company may charge labor to customers for corporate catering events, which is also recognized once the events are hosted. Discounts provided to customers are recognized as a reduction in sales at the time of sale.

Advertising: The Company maintains a system-wide marketing and advertising fund (the "Brand Fund"). Franchisees and licensees are required to contribute a designated portion of restaurant sales, as defined, to the Brand Fund, which is used for marketing and advertising efforts related to the Wahlburgers brand. Contributions from franchisees and licensees related to the Brand Fund constitute agency transactions and are not recognized as revenues and expenses. Advertising funds collected are recorded as a liability. Advertising costs incurred are charged against this liability. As of December 30, 2018 the Company held a marketing fund liability balance of \$152,336 as funds collected during the respective year exceed expenditures. Such amounts are not required to be segregated as restricted under the terms of the current Franchise Disclosure Document. As of December 31, 2017, all funds collected during the year had been expended.

Advertising and marketing costs of the Company are expensed as incurred. Advertising and marketing expense was \$63,318 and \$19,422 for the years ended December 30, 2018 and December 31, 2017, respectively.

Income taxes: The Company is a wholly owned subsidiary of WHC and is a disregarded entity for income tax purposes, and accordingly, the results of operations will be reported on the parent company's tax returns. As a result, the Company generally does not incur United States federal income taxes.

The Company accounts for uncertainties in tax positions, under the provisions of ASC 740 *Income Taxes*. Under these provisions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recent accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or modified retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Company has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. This ASU revises the principal vs. agent guidance originally included in ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance in ASC 606, including the revisions made by ASU 2016-08, is effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the effect that the standard will have on the financial statements.

Note 3. Deferred Revenue

As of December 30, 2018, deferred revenue includes area development fees of \$1,280,000 and initial franchise fees of \$230,000. As of December 31, 2017, deferred revenue includes area development fees of \$1,407,000 and initial franchise fees of \$395,000. Area development fees and franchise fees will be recognized when substantial performance under the agreements is performed.

Note 4. Related Party Transactions

Area development and franchise agreements: The Company has an area development agreement and franchise agreement with Wahlburgers Boston Developer Company LLC ("WBDC"), an affiliate under common control. During 2016, area development and franchise fees paid to the Company by WBDC totaled \$75,000. During 2018, \$10,000 of the area development fee and the initial franchise fee of \$25,000 were recognized as revenue upon the opening of one franchise location. There remains \$40,000 and \$75,000 of fees paid by WBDC included in deferred revenue as of December 30, 2018 and December 31, 2017. Additionally, WHC is a guarantor on the lease for this affiliate for first restaurant opened under the ADA.

The Company has nine franchise agreements in which a shareholder of WHC, the parent company, is also a shareholder in the franchisee. Three of these franchised locations opened during 2018. For the year ended December 30, 2018, royalties and brand fund contributions from these franchisees were \$1,187,316 and \$200,903, respectively. For the year ended December 31, 2017, royalties and brand fund contributions for six franchisees in operation were \$530,218 and \$44,143, respectively. Amounts due from these franchisees were \$39,837 and \$16,306 as of December 30, 2018 and December 31, 2017, which are included in due from affiliates on the accompanying balance sheets.

Due to affiliates: The Company and its affiliates share some employee services and other expenses with the parent company, WHC and its subsidiaries, and pay a proportionate share of some of the operating expenses. In addition, certain costs incurred by WHC or its affiliates to provide support to the Company and/or to individual franchisees during the construction and preopening phase have been charged to the Company. The balance due to these affiliates was \$3,980,845 and \$1,594,077 as of December 30, 2018 and December 31, 2017, respectively. The amounts due are short term and non-interest bearing.

Wahlburgers Franchising LLC

Notes to Financial Statements

Note 4. Related Party Transactions (Continued)

Due from affiliates: The Company has management and license agreements with three affiliates under common control, Wahlburgers Lynnfield, LLC, Wahlburgers Fenway, LLC and Wahlburgers South Bay, LLC. The affiliates pay both a management and license fee to the Company based on a percentage of sales, as defined. Management and license fees earned by the Company during the years ended December 30, 2018 and December 31, 2017 totaled \$407,249 and \$396,825, respectively and are included in royalties and management/license fees on the statements of operations. In addition, the Company loaned money to the Wahlburgers South Bay for its buildup of the restaurant. Amounts due from affiliates included \$641,447 related to this funding. The remaining amount in due from affiliates was \$10,146 and \$15,718 at December 30, 2018 and December 31, 2017, respectively. Additionally, WHC is a guarantor on the leases for these affiliates.

Note 5. Commitments and Contingencies

Litigation: On February 21, 2017, certain minority members of WHC (the "Plaintiffs"), holding an approximately 10% profit interest of WHC, filed a Complaint against certain members of WHC, including certain individuals and related entities, whom together constitute the majority of the voting and profit interest of WHC (the "Defendants"). The Complaint alleges a breach of fiduciary duty owed to the plaintiffs, a breach of the terms of the operating agreement of WHC and other misrepresentations regarding certain investment opportunities. The Defendants moved to dismiss the Complaint on the basis that the Complaint failed to state a legal claim upon which relief could be granted. The Court denied the motion but invited the Defendants to submit a motion for summary judgment (which would likewise dispose of the claims before trial) pending further development of the factual record through discovery. Accordingly, the parties have been actively engaged in fact discovery including document production and oral depositions. As of April 2019, the discovery deadline has been extended while the parties are negotiating a possible settlement. The operating agreement of WHC provides indemnification to the managers, members and officers for all actions unless found by a judicial proceeding or agreed in settlement to constitute actual fraud or willful misconduct. Management does not believe that the outcome of this matter will have a material impact on the operations of Wahlburgers Franchising, LLC.

The Company is subject to various legal claims arising in the normal course of business. Based on the information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the Company's financial position or the results of future operations.

Note 6. Employee Benefits

The Company established the Wahlburgers 401(k) Plan (the "Plan") effective January 1, 2018. All employees of the Company except employees covered by a collective bargaining agreement, leased employees, and any employee who is a non-resident employee, who has completed at least one year of eligibility service, as defined, and who has attained the age of 21, are eligible to participate in the plan. The employer match is at management's discretion. The expense of the Company, including administrative costs for the 2018 plan year, was approximately \$7,500 for the year ended December 30, 2018.

Note 7. Subsequent Events

The Company has evaluated all subsequent events through April 30, 2019, the date the financial statements were available to be issued.

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

(UNAUDITED)
WAHLBURGERS FRANCHISING LLC
BALANCE SHEET
JUNE 30, 2021

Assets

Current assets:	
Cash and cash equivalents	\$ 1,968,338
Accounts receivable	647,727
Prepaid expenses	239,907
Total current assets	<u>2,855,972</u>
Property and equipment:	
Office equipment	32,747
Leasehold improvements	41,794
Vehicles	247,324
Less accumulated depreciation	<u>(123,660)</u>
Property and equipment, net	<u>198,205</u>
Total assets	<u>\$ 3,054,177</u>

Liabilities and Members' Deficit

Current liabilities:	
Forgivable loan	\$ 1,202,252
Accounts payable	54,690
Accrued expenses	779,777
Marketing fund liability	40,144
Deferred revenue	30,000
Total current liabilities	<u>2,106,862</u>
Long-term liabilities:	
Due to affiliates	5,509,032
Deferred revenue, net of current portion	<u>1,180,000</u>
Total long-term liabilities	<u>6,689,032</u>
Total liabilities	8,795,894
Members' deficit	(5,741,716)
Total liabilities and members' deficit	<u>\$ 3,054,177</u>

(UNAUDITED)
WAHLBURGERS FRANCHISING LLC
STATEMENT OF OPERATIONS
FOR THE 6 MONTHS ENDED JUNE 30, 2021

Franchise revenues:	
Area development and franchise fees	40,000
Royalties and management/license fees	2,021,731
Advertising fees	264,902
Other income	19,351
Total revenues, net	<u>2,345,984</u>
Operating expenses:	
Cost of sales	2,920
Salaries and wages	1,485,083
Other operating costs and expenses	189,127
General and administrative expenses	693,717
Total operating expenses	<u>2,370,846</u>
Other expenses	
Depreciation	<u>33,424.56</u>
Net loss	<u>\$ (58,287)</u>

EXHIBIT F

ADDITIONAL INFORMATION REQUIRED BY CERTAIN STATES

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF ILLINOIS**

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS**

- 1. Risk Factors, State Cover Page.** The following statement is added to the end of the first risk factor on the State Cover Page:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION THAT OTHERWISE IS ENFORCEABLE IN ILLINOIS.

The following statement is added to the end of the first risk factor on the State Cover Page:

NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW WILL GOVERN THE FRANCHISE AGREEMENTS.

- 2. Item 17, Additional Disclosures.** The following statements are added to Item 17:

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Franchise Agreement.

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Master Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Master Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Master Franchisee was made in the State of Illinois; **(B)** Area Developer is a resident of the State of Illinois; and/or **(C)** part or all of the area under the Master Franchise Agreement is located in the State of Illinois.

2. The following sentence is added to the end of Section 19:

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

3. The following sentence is added to the end of Section 26.2(a):

Notwithstanding the foregoing, Illinois law will govern this Agreement.

4. The following sentence is added to the end of Section 26.2(b):

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois; however, a master franchise agreement may provide for arbitration in a venue outside of Illinois.

5. The following sentence is added to the end of Section 26.2(c):

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years after the violation, 1 year after the Master Franchisee becomes aware of the underlying facts or circumstances, or 90 days after delivery to the Area Developer of a written notice disclosing the violation.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum.

7. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Master Franchise Agreement.

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

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF MARYLAND**

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND**

1. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

The master agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against Wahlburgers, including upon renewal or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

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

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

Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Master Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Master Franchisee was made in the State of Maryland; **(B)** Master Franchisee is a resident of the State of Maryland; and/or **(C)** part or all of the area under the Master Franchise Agreement is located in the State of Maryland.
2. The following sentence is added to the end of Section 16.1(c):

Any provision requiring you to sign a general release of claims against us does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Section 26.2(b):

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
4. The following sentence is added to the end of Section 26.2(c):

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Master Franchise Agreement.
6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this Addendum.
7. Except as expressly modified by this Addendum, the Master Franchise Agreement remains unmodified and in full force and effect.

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDITIONAL DISCLOSURES REQUIRED BY
THE 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 of 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 the Michigan Franchise Investment Law. This will 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 will 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 will 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 will 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 franchisee 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 franchisee 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 will be directed to the Attorney General's Office, Consumer Protection Division, G. Mennen Williams Building – 1st Floor, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF MINNESOTA**

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF MINNESOTA**

1. **Trademarks.** The following statement is added to Item 13:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Proprietary Mark infringes trademark rights of a third party; provided, that we will not indemnify against the consequences of your use of the Proprietary Marks unless the use is in accordance with the requirements of the Franchise Agreement and the Wahlburgers System.

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

3. **Choice of Forum and Law.** The following statement is added to the State Cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial.** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial.

Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to these Additional Disclosures.

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ ("Master Franchise Agreement") between Wahlburgers Franchising LLC ("Wahlburgers," "you" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Master Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Master Franchisee was made in the State of Minnesota; **(B)** Master Franchisee is a resident of the State of Minnesota; and/or **(C)** part or all of the area under the Master Franchisee Agreement is located in the State of Minnesota.

2. The following sentence is added to the end of Sections 16.1(c):

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 19:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

4. The following sentence is added to the end of Section 18.2:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

5. The following sentences are added to the end of Section 26.2(c):

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. The second sentence of Section 26.2(f) is deleted and replaced with the following:

Therefore, Master Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by MasterFranchisee, Wahlburgers will be entitled to seek declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond is required.

7. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Addendum.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Master Franchise Agreement.
9. Except as expressly modified by this Addendum, the Master Franchise Agreement remains unmodified and in full force and effect.

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF NEW YORK**

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF NEW YORK**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ ("Master Franchise Agreement") between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Master Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Master Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Master Franchisee was made in the State of New York; **(B)** Master Franchisee is a resident of the State of New York; and/or **(C)** part or all of the area under the Master Franchisee Agreement is located in the State of New York.
2. Any provision in the Master Franchisee Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.
3. The following sentence is added to the end of Section 15:

We will not assign our rights under this Agreement, except to an assignee who in its good faith and judgment is willing and able to assume its obligations under this Agreement.

4. The following sentence is added to the end of Section 26.2:

Notwithstanding the foregoing, the New York Franchises Law will govern any claim arising under that law.
5. The following sentence is added to the end of Section 26.2(f):

Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently of this Addendum.
7. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Master Franchise Agreement.

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

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF NORTH DAKOTA**

1. The Summary column of Item 17(r) of this Disclosure Document is modified by adding the following sentence:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

2. The Summary column of Item 17(v) of this Disclosure Document is amended to read as follows:

The North Dakota Law, if applicable, prohibits us from requiring you to consent to the jurisdiction of courts outside North Dakota, including courts in Massachusetts.

3. The Summary column of Item 17(w) of this Disclosure Document is modified to read as follows:

If the North Dakota Law applies, the law of North Dakota.

4. If North Dakota Law applies, we are prohibited from requiring you to waive trial by jury for any claims arising under the North Dakota Law.

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ ("Master Franchise Agreement") between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Master Franchise Agreement.

1. Precedence and Defined Terms. This Addendum is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement.

2. Covenants Not to Compete. Section 17 of the Agreement is amended to add the following sentence: "Covenants not to compete such as those referenced in this Section 7 are generally considered unenforceable in the State of North Dakota."

3. Consent to Jurisdiction. Section 26.2(b) of the Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits us from requiring you to consent to the jurisdiction of courts outside North Dakota, including courts in Massachusetts."

4. Governing Law. Section 26.2(a) of the Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, requires all claims to be governed by North Dakota law and brought in courts of competent jurisdiction in North Dakota."

5. Waiver of Trial By Jury. Section 26.2(d) of the Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits us from requiring you to waive trial by jury for any claims arising under the North Dakota Franchise Investment Law."

6. Waiver of Exemplary and Punitive Damages. Section 26.2(d) of the Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits us from requiring you to waive exemplary and punitive damages for any claims arising under the North Dakota Franchise Investment Law."

7. Agreements/Releases. You will not be required to sign a General Release for any claim arising under the North Dakota Franchise Investment Law.

Intending to be bound, you and we sign and deliver this Addendum in 2 counterparts effective on the Effective Date, regardless of the actual date of signature.

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY

THE COMMONWEALTH OF VIRGINIA

**ADDITIONAL DISCLOSURES
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

1. **State Cover Page:** The following risk factor is added to the State Cover Page:

THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

2. **Additional Disclosures for Item 17.h.** The following statements are added to Item 17.h.:

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 ground for default or termination stated in the Development Agreement and/or Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Development Agreement and/or Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF WASHINGTON**

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF WASHINGTON**

1. **State Cover Sheet.** The following risk factors are added to the State Cover Sheet:

THE FRANCHISOR HAS A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.

THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures.

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ ("Master Franchise Agreement") between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Master 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.

1. RCW 19.100.180 may supersede the master franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the area development agreement, an area developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by an area developer 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 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.
4. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
5. 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 an area developer from (i) soliciting or hiring any employee of an area developer 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.

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

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDITIONAL DISCLOSURES AND ADDENDA REQUIRED BY
THE STATE OF WISCONSIN**

**ADDENDUM TO THE
WAHLBURGERS RESTAURANT MASTER FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN**

This Addendum to the Wahlburgers Restaurant Master Franchise Agreement dated _____ ("Master Franchise Agreement") between Wahlburgers Franchising LLC ("Wahlburgers," "we" or "us") and _____ ("Master Franchisee," "you" or "your") is entered into simultaneously with the execution of the Master Franchise Agreement.

WISCONSIN LAW MODIFICATIONS

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is hereby amended to add the following provision:

For all franchises sold in the State of Wisconsin, the Company will provide Franchisee at least 90 days' prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between the Company and Franchisee inconsistent with the Law.

3. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Wisconsin law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

MASTER FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

WAHLBURGERS FRANCHISING LLC

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT G

LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

FRANCHISED LOCATIONS OPEN AS OF THE END OF FISCAL YEAR 2020

WB Huntsville Burgers, LLC	1030 Mid City Northwest Huntsville, AL 35806	(256) 261-3821
Tinseltown Sunset, LLC	8615 Sunset Blvd, West Hollywood, CA 90069	(424) 276-3160
WB USC, LLC	835 W. Jefferson, Unit 1710 Los Angeles, CA 90007	(213) 536-5962
OneTeam Restaurant PA, LP	185 University Ave Palo Alto, CA 94301	(650) 382-1389
Wahlkey, LLC	700 Front Street, Suite 107 Key West, FL 33040	(305) 433-2020
Grand Slam Enterprises, LLC	455 Legends Place SE, Suite 874 Atlanta, GA 30339	(678) 402-1195
218 Peachtree Burgers, LLC	218 Peachtree St. NW, Suite B Atlanta, GA 30303	(404) 565-1670
Fox Valley Burgers LLC	825 South Randall Road St. Charles, IL 60174	(331) 235-5200
Hy-Vee, Inc.	2115 S. Macarthur Blvd. Springfield, IL 62704	(217) 726-1011
Hy-Vee, Inc.	7610 N. Prairie Rd. Peoria, IL 61615	(309) 589-1030
Hy-Vee, Inc.	1403 N. Veterans Parkway Bloomington, IL 61704	(309) 663-3062
Hy-Vee, Inc.	Village at Jordan Creek, 7105 Mills Civic Pkwy., Suite 160, West Des Moines, IA 50266	(515) 225-4885
Hy-Vee, Inc.	2510 SW State Street Ankeny, IA 50023	(515) 963-3140
Hy-Vee, Inc.	5050 Edgewood Road NE Cedar Rapids, IA 52411	(319) 378-2945
Hy-Vee, Inc.	420 Court Avenue Des Moines, IA 50309	(515) 243-2263
Hy-Vee, Inc.	8701 Douglas Avenue Urbandale, IA 50322	(515) 251-5286
Hy-Vee, Inc.	1005 E. Hickam Road Waukee, IA 50263	(515) 216-2772
Hy-Vee, Inc.	1935 South Black Bob Road Olathe, KS 66062	(913) 768-1137
SSP America, Inc.	300 Terminal St., Terminal C Boston, MA 02128	(617) 755-6144
Wahlburgers South Bay LLC	South Bay Center, 9 District Ave Boston, MA 02125	(617) 282-5300
ACW Detroit, LLC	569 Monroe St. Detroit, MI 48226	(313) 209-4499
ACW Royal Oak, LLC	30955 Woodward Ave., Suite 605 Royal Oak, MI 48073	(248) 850-8601
Hy-Vee, Inc.	Mall of America 234 N. Garden Bloomington, MN 55425	(952) 854-1655

Hy-Vee, Inc.	11852 Elm Creek Blvd North Maple Grove, MN 55369	(763) 494-5339
Hy-Vee, Inc.	9409 Zane Ave North Brooklyn Park, MN 55443	(763) 488-4500
Hy-Vee, Inc.	7280 E Point Douglas Road S Cottage Grove, MN 55016	(651) 458-7012
Hy-Vee, Inc.	1500 Central Park Commons Dr Eagan , MN 55121	(651) 405-3672
Hy-Vee, Inc.	16150 Pilot Knob Rd Lakeville, MN 55044	(952) 423-9340
Hy-Vee, Inc.	8200 42nd Ave N New Hope, MN 55427	(763) 531-7472
Hy-Vee, Inc.	7180 10th St North Oakdale, MN 55128	(651) 714-3172
Hy-Vee, Inc.	6150 Egan Drive Savage, MN 55378	(952) 228-2562
Hy-Vee, Inc.	4221 W Circle Dr NW Rochester, MN 55901	(507) 292-6012
Hy-Vee, Inc.	1451 Adams Street South Shakopee, MN 55379	(952) 403-1532
Hy-Vee, Inc.	405 Nifong Blvd. Columbia, MO 65201	(573) 442-6349
Hy-Vee, Inc.	301 NE Rice Road Lee's Summit, MO 64086	(816) 347-3526
Hy-Vee, Inc.	5212 3 rd Avenue Kearney, NE 68845	(308) 236-0031
Celebrity Burgers LLC	3635 Las Vegas Blvd. South Unit 100 Las Vegas, NV	(702) 405-9090
Atlantic Wahl, LLC	500 Boardwalk Atlantic City, NJ 08401	(609) 783-8868
ACW Cincinnati, LLC	199 E. 6 th Street Cincinnati, OH 45202	(513) 457-7085
ACW Cleveland, LLC	2105 Ontario Street, Cleveland, OH 44115	(216) 302-1001
C Berry Burgers LLC	6242 Northway Drive, Pittsburgh, PA 15237	(412) 536-3991
Robinson Burgers LLC	100 Robinson Ctr. Dr, Ste 2550 Pittsburgh, PA 15205	(412) 744-9089
Hy-Vee, Inc.	The Corners of Brookfield, 325 N Market Street Brookfield, WI 53045	(262) 641-9975
Hy-Vee, Inc.	322 North Broadway Milwaukee, WI 53202	(414) 223 -3005

**FRANCHISE AGREEMENT SIGNED BUT
RESTAURANT NOT OPENED AS OF THE END OF FISCAL YEAR 2020**

Franchisee	Location	Telephone
Oneteam Restaurant AMC LLC	1450 Ala Moana Boulevard, #2500 Honolulu, Hawaii 96814	Not available

FRANCHISEES WHO CEASED OPERATION IN FISCAL YEAR 2020

Franchisee	Location	Last Known Telephone Number
OWA Burgers LLC	Foley, AL	(251) 378-2827
Trumbull Burgers, LLC	Trumbull, CT	(203) 371-5386
WOF-A, LLC	Orlando, FL	(407) 293-7777
WOF-B LLC	Orlando, FL	(407) 545-6434
Chicago River North WB LLC	Chicago, IL	(312) 291-8997
ACW Flint, LLC	Flint, MI	(810) 265-7354
ACW Taylor, LLC	Taylor, MI	(734) 225-6745
347 Burgers, LLC	Port Jefferson Station, NY	(631) 473-8525

EXHIBIT H
STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	(Exempt)
Hawaii	Not registered
Illinois	(Exempt)
Indiana	
Maryland	(Exempt)
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	Not registered
South Dakota	(Exempt)
Virginia	
Washington	
Wisconsin	

RECEIPT

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

If Wahlburgers Franchising LLC offers you a franchise, Wahlburgers Franchising LLC must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wahlburgers Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name – John Fuller or James Smith; Address - 350 Lincoln Street, Suite 2501, Hingham, MA 02043; and Telephone Number - 781-749-4972.

Issuance Date: August 10, 2021

I have received a Franchise Disclosure Document issued on August 10, 2021. This disclosure document included the following exhibits: A. List of State Administrators; B. List of Agents for Service of Process; C. Master Franchise Agreement; D. Confidentiality Agreement; E. Financial Statements; F. Additional Information Required by Certain States; G. List of Franchisees and Franchised Locations; and H. State Effective Dates.

Date of Receipt: _____

Signature

Print Name

Company Name

Street Address

Telephone Number

City, State

Zip Code

TO BE RETAINED BY YOU

RECEIPT

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Date of Receipt: _____

Signature

Print Name

Company Name

Street Address

Telephone Number

City, State Zip Code

TO BE RETURNED TO WAHLBURGERS FRANCHISING LLC