

## FRANCHISE DISCLOSURE DOCUMENT



**Boston Pizza Restaurants, LP**  
a Delaware limited partnership  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
(972) 484-9022  
melnickj@bostons.com  
www.bostons.com

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

The total investment necessary to begin operation of a Boston’s Restaurant franchised business is between \$1,023,040,500 and \$2,757,500,887,025. This includes \$85,000 to \$86,350 that must be paid to the franchisor or its affiliate(s).

Boston’s Restaurant area developers acquire the right to develop multiple Boston’s Restaurants in a designated development area. The total investment necessary to begin operation as an area developer with two Boston’s Restaurants is between \$2,047,081,000 and \$5,515,000,774,050. This includes \$170,000 to \$172,700 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation as an area developer with three Boston’s Restaurants is between \$3,055,106,500 and \$8,272,500,661,075. This includes \$240,000 to \$259,050 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement 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 Jeffrey Melnick at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, (972) 484-9022 or melnickj@bostons.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: ~~April 18, 2023~~ March 26, 2024**



## How to Use This Franchise Disclosure Document

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

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



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

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

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

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

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

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

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

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

### Some States Require Registration

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

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



## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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



**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

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

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

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



(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

**The fact there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

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

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

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



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

To simplify the language in this Franchise Disclosure Document, “Boston’s”, “BPR,” “we,” “us” and “our” means Boston Pizza Restaurants, LP, the franchisor. “You,” “your” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from BPR.

The Franchisor

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

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

TPI is a wholly-owned subsidiary of James Treliving Holding, Ltd. (“JTHL”). JTHL is a subsidiary of Treliving Family Holdings, Inc. (“TFHI”). TPI, JTHL, and TFHI maintain their principal place of business at ~~400-10760 Shellbridge Way~~ 210-13511 Commerce Parkway, Richmond, British Columbia, Canada ~~V6X 3H1 V6V 2R2~~. TPI also owns the intellectual property used in Boston’s Restaurants operating in the United States and Mexico and licenses the rights to franchise them to us.

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

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

We have three affiliates. Boston Pizza International Inc. (“BPI”) offered franchises for “Boston Pizza” restaurants in Canada from 1983 to 2015. As the result of a restructuring in 2015, BPI transferred all Canadian franchise rights and related agreements to Boston Pizza Canada Limited Partnership (“BPCLP”), which is controlled by BPI. BPCLP has offered franchises for “Boston Pizza” restaurants in Canada since 2015 and has not offered franchises in any other line of business. BPI, and subsequently BPCLP, have operated the type of business offered under this Franchise Disclosure Document since 1983. BPCLP is located at ~~400-10760 Shellbridge Way~~ 13511 Commerce Parkway, Richmond, British Columbia, Canada ~~V6X 3H1 V6V 2R2~~. As of December 31, 2023, BPCLP has 372 franchised locations.

Boston Pizza Restaurants (Mexico), Inc. (“BPR Mexico”) has offered franchises in Mexico under the Boston’s The Gourmet Pizza Restaurant & Sports Bar<sup>®</sup> mark since April 2002 and has not offered franchises in any other line of business. As of December 31, ~~2022~~ 2023, BPR Mexico has ~~2022~~ franchised locations. BPR Mexico maintains its principal place of business at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254.

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



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

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

## The Franchise

Boston's Restaurants franchisees operate restaurants that serve ~~delicious~~ hot pizza and pasta dishes, and a wide variety of ~~mouth-watering~~ entrees, appetizers, salads, sides and desserts. Boston's Restaurants specialize in serving ~~family and friends~~ customers in a full-service casual dining restaurant, combined with an ~~exciting~~ sports bar featuring large flat screen TV's, ~~generous~~ drinks and ~~our great food in a fun atmosphere~~. The concept focuses on the casual dining sector of the market, catering to families, young adults, single older adults and groups. Boston's Restaurants feature a contemporary warm and lively decor package featuring earth colors and signage, flexible seating areas and a sports theme bar area and restaurant seating area. The bar area offers a choice of stand up, counter, table and booth seating with an area dedicated to entertainment games like pool or darts. The Restaurants also have an outdoor patio area that offers additional seating. Our operating system includes recognizable design, décor color scheme, recipes, uniform standards, specifications, rules and procedures of operation, techniques, philosophies, quality and uniformity of products and services offered and procedures for inventory and management control ("System"). We grant franchises to operate Boston's Businesses using the System and our trade names, trademarks, service marks, emblems, logos, slogans and copyrights ("Marks") as authorized by us from an approved location.

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement"). You may operate one Boston's Business for each Franchise Agreement you sign.

We also offer to select qualified persons ("Area Developers") the opportunity to sign our area development agreement ("Area Development Agreement") and acquire the right to develop ~~multiple~~ Boston's Businesses in a designated development area ("Development Territory") in accordance with a specified development schedule ("Development Schedule"). The Development Territory will be established based on the consumer demographics of the Development Territory, geographical area, city, county and other boundaries. If you enter into an Area Development Agreement, you must sign a Franchise Agreement for your first Boston's Business once we have agreed on a site for your first Boston's Business and within the time period specified in your Development Schedule. You will be required to sign our then-current form of Boston's Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document for each Boston's Business that you develop under the Area Development Agreement. Unless otherwise stated, any reference in this Franchise Disclosure Document to "you" or "franchisee" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement. Area Developers must commit to opening a minimum of one Boston's Business.



## Market and Competition

The primary market for the products and services offered by the Boston's Business is the general public. The products and services offered by Boston's Businesses are not seasonal. The restaurant market, as a whole, is well-developed and highly competitive and includes retail units, mobile food trucks, and kiosks selling various types of food. You may have to compete with numerous other independent and chain-affiliated restaurants, some of which may be franchised. Many restaurant franchise systems, in particular, have already established national and international brand recognition.

## Industry-Specific Laws

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

Many local or state jurisdictions require food service permits for those preparing, handling and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain these permits. There may also be local ordinances and regulations governing food storage, preparation and serving, and those that establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low-calorie" or "fat free". Local and state jurisdictions may also establish requirements concerning withholdings and employee reporting of taxes on tips.

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

You must obtain all required licenses, permits, and approvals to operate your Boston's Business. Some states and local jurisdictions may have enacted or may in the future enact laws, rules, regulations, and ordinances which may apply to the Boston's Business. These regulations may establish certain standards, specifications, and requirements that must be followed by you.

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



~~You are responsible for investigating, understanding and complying with all applicable laws, rules, regulations, ordinances and requirements applicable to you and your Boston's Business. You should consult with a legal advisor about whether these and/or other requirements apply to your Boston's Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.~~

## **ITEM 2 BUSINESS EXPERIENCE**

### Chairman of the Board of Directors: James Walter Treliving

Mr. Treliving has served as Boston's Chairman of the Board of Directors since March 2023, its President from November 2004 to March 2023, and its Chief Executive Officer from December 2001 to November 2004, in Dallas, Texas. Mr. Treliving has served as the Chairman of the Board of Directors of BPR GP, BPR USA, and BPR Marketing in Dallas, Texas since March 2023. Prior to that, he served as the President of: BPR GP from October 2001 to March 2023; BPR USA from October 1995 to March 2023; and BPR Marketing from February 1999 to March 2023, all in Dallas, Texas. Mr. Treliving is also the owner of BPI, and has served as a Director since January 1983 in Richmond, British Columbia, Canada. He is also a Director of TPI in Richmond, British Columbia, Canada and has been since September 2017.

### President: Jeff Melnick

Mr. Melnick has served as Boston's corporate President since March 2023 and its corporate Vice President from May 2018 to March 2023 in Dallas, Texas. He also served as Boston's operational Vice President in Dallas, Texas from May 2018 to September 2018, when he assumed his current role as operational President. Mr. Melnick has served as the corporate President of BPR GP, BPR USA, and BPR Marketing since March 2023, and the corporate Vice President of these entities from May 2018 to March 2023, all in Dallas, Texas. He has also served as the operational Vice President of BPR GP, BPR USA and BPR Marketing, all in Dallas, Texas from May 2018 to September 2018, when he assumed his current role as operational President. ~~From August 2016 to February 2018, he served as Vice President of Craftworks Restaurants & Breweries and Brand Leader of Gordon Biersch Brewery Restaurants, a brand owned by Craftworks, both in Broomfield, Colorado.~~

### Secretary and Vice President of Finance and Corporate Operations: Jason Snavelly

Mr. Snavelly has served as Boston's corporate Secretary and operational Vice President of Finance and Corporate Operations since March 2023 in Dallas, Texas. He has also served as the corporate Secretary and operational Vice President of Finance of BPR GP, BPR USA, and BPR Marketing in Dallas, Texas since March 2023. From May 2021 to March 2023, he served as Vice President/Controller of United Surgical Partners International in Dallas, Texas. From December 2020 to May 2021, he was a financial consultant for Tatum based in Atlanta, Georgia. Mr. Snavelly served as the Director of Finance for Boston Pizza Restaurants, LP in Dallas, Texas from April 2018 to November 2020.

### Franchise Sales Manager: Kyle Reeves

Mr. Reeves has served as Boston's Franchise Sales Manager since March 2023 in Dallas, Texas. From August 2021 to February 2023, he served as Lead Demand Generation Specialist and Acquisition Advisor for Symphony Wireless in Fort Worth, Texas. From November 2020 to May 2021, he served as Sales and Lead Coordinator for One Hour Heating & Air Conditioning in Fort Worth, Texas. From February 2020 to May 2020, he served as Franchise Sales and Development Coordinator for Boston Pizza Restaurants, LP in Dallas, Texas and from August 2018 to June 2019 he served as Customer Service Coordinator for Saddle Creek Logistic Services in Fort Worth, Texas.



Director of Development, Design and Construction: Mike MassieIT – Miguel Rodriguez

Mr. MassieRodriguez has served as Boston's Director of ~~Development, Design and Construction since March~~IT from January 2023 to the present in Dallas, Texas. From ~~June 1999~~April 2021 to February 2023December 2022, he served as ~~Manager of Design and Drafting for Best Restaurant Equipment & Design, Inc. of Columbus, Ohio based in Dallas, Texas.~~

Director of Marketing: Julie Schaffner

~~Ms. Schaffner has served as Boston's Director of Marketing since March 2023 in Dallas, Texas. From November 2014 to February 2023, she served as Senior Manager of MarketingIT for Boston's and from September 2016 to March 2021 Mr. Rodriguez served as A Business System Analyst for Boston's in Dallas, Texas. From April 2004 to October 2014, she served as National Marketing Manager for Boston Pizza International in Richmond, BC, Canada.~~

### ITEM 3 LITIGATION

Prior Litigation:

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

Franchisor Initiated Litigation:

Boston Pizza Restaurants, LP v. Rakesh Kaushal; Cause No. DC-20-00420 in the District Court of Dallas County, Texas, 191st Judicial District. In connection with the dismissal of Civil Action No. 3:20-cv-0021-S in the United States District Court for the Northern District of Texas, Dallas Division, Boston's filed suit against ex-franchisee, Rakesh Kaushal, on January 8, 2020, seeking to recover liquidated damages in the amount of \$205,000 resulting from Mr. Kaushal's breach of his franchise agreement, which resulted in its termination. Boston's also seeks attorney's fees, pre- and post-judgment interest, taxable court costs, and all other relief to which Boston's may be entitled but not in an amount more than \$1,000,000. On March 2, 2020, Mr. Kaushal filed a special appearance challenging the personal jurisdiction of Texas courts in the case and filed an answer denying Boston's allegations and putting forth several affirmative defenses. The



case had been set for a non-jury trial on February 15, 2021 and the parties were engaged in discovery, but the case was dismissed without prejudice.

Boston Pizza Restaurants, LP v. BOSTCG, LLC, Piyushkumar Patel, and Smitaben Patel; Cause No. 4:23-CV-00913-P in the United States District Court for the Northern District of Texas, Fort Worth Division. Boston's filed suit against ex-franchisee BOSTCG, LLC, Piyushkumar Patel and Smitaben Patel, on September 1, 2023 for breach of contract and sought to recover liquidated damages in the amount of \$271,947 resulting from Mr. Patel's breach of his franchise agreement, which resulted in its termination. On November 13, 2023, Defendants filed an answer, affirmative defenses, and counterclaims. The counterclaims for breach of contract and common law & string-along fraud alleged that Boston's did not support the franchisee and that the franchisee transferred its interests under the franchise agreement. The parties reached a mediated settlement agreement on March 11, 2024 in which Defendants agreed to pay Boston's the sum of \$85,000 and the parties agreed to release one another of all claims, not disparage one another, and the Defendants agreed that no consideration would be given for the common law & string along fraud claims which were abandoned by the Defendants.

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

#### **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

#### **ITEM 5 INITIAL FEES**

##### Franchise Agreement

##### *Initial Franchise Fee*

The "Initial Franchise Fee" for a single Boston's Business is \$50,000. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Boston's Business and also offsets some of our franchise recruitment expenses. The Initial Franchise Fee is uniform, fully earned by us once paid and is non-refundable under any circumstances. The Initial Franchise Fee is payable when you sign your Franchise Agreement. During the last fiscal year ended December 31, ~~2023~~2022, we collected one \$35,000 Initial Franchise Fee and the remaining ~~did not collect any~~ Initial Franchise Fees collected were \$50,000.

##### *Initial Training*

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

Before you open your third and subsequent Restaurants (if applicable), your managers must complete initial training at your certified training Restaurant. If you do not have a certified training Restaurant, then we will provide initial training to your managers at our Dallas training center, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period). If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses. Initial training fees must be paid 15 days before initial training



begins and reimbursement of our expenses must occur no later than 15 days after invoiced. Initial training fees for additional training are non-refundable under any circumstances.

#### *On-Site Opening Assistance*

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

#### *Pre-Opening Marketing Assistance*

We will present you with customized marketing plan options designed to advertise and promote the opening of your Restaurant approximately 24 weeks before the opening date of your Restaurant. The cost of the marketing plan is currently \$20,000, is due upon invoicing, approximately 24 weeks before opening, and is non-refundable under any circumstances. You must select a media plan option and pay us within 14 days of our presentation to you. If the marketing plan you choose is less than \$20,000, any portion of the Pre-Opening Marketing Assistance amount that is unused as of the opening date of your Restaurant will be used for marketing your Restaurant after opening.

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

#### Area Development Agreement

Franchisees may also purchase the rights to open ~~additional~~ Boston’s Businesses in a Development Territory by signing our “Area Development Agreement” (attached to this Franchise Disclosure Document as Exhibit D) and paying a development fee (“Development Fee”). The Development Fee is equal to \$50,000 multiplied by the number of Restaurants to be developed. The amount paid for each Restaurant as a Development Fee will be credited against the Initial Franchise Fee for that Restaurant when you sign the Franchise Agreement (all other fees will apply). The Development Fee is uniform, payable when you sign your Area Development Agreement and is non-refundable under any circumstances, even if you fail to open any Boston’s Businesses. Area Developers must open a minimum of one Boston’s Business. During our last fiscal year ended December 31, ~~2023~~2022, we collected Development Fees of ~~\$5080,000~~.

If you form an entity to open any of the Boston’s Businesses within the Development Territory, you must own at least 51% of each entity. You must provide us with necessary documentation to show your ownership interest.



**ITEM 6  
OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(2)</sup>	5% of Gross Sales	Due on or before Thursday of each week	The “ <u>Royalty</u> ” is based on “ <u>Gross Sales</u> ” during the previous week. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Brand Fund Contribution	3% of your weekly Gross Sales	Same as Royalty	This “ <u>Brand Fund Contribution</u> ” is used for a system-wide “ <u>Brand Fund</u> ” for our use in promoting and building the Boston’s brand. This fund was previously called the advertising fund.
Local Advertising Payment	The difference between the amount you spent on local advertising each month and your required local advertising expenditure (1%)	Payable after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, you must pay the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund, if established, or us.
Local and Regional Advertising Cooperatives <sup>(3)</sup>	Established by cooperative members, between 3% and 4% of Gross Sales	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. Each Boston’s Business we own that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	Then current-fee, currently \$500 per occurrence	On demand	This fee is payable to us or, if established, the Brand Fund, if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium for an administrative cost of obtaining the insurance.
Successor and/or Remedial Training	Successor Training: Our then-current fees; currently, \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your	Within ten days after invoicing	Successor training is for the training of your replacement managers. Management successor trainee(s) must complete up to three weeks of training.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
	<p>Restaurant; no fee if successor training occurs in Dallas, Texas. For third and subsequent Restaurants, our then-current fees regardless of where training occurs; currently, \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your Restaurant; no travel-related expenses if successor training occurs in Dallas, Texas.</p> <p>Remedial Training: \$1,000 per trainer per 5-day week, plus \$350 per diem per day per trainer, plus our travel-related expenses if training occurs at your Restaurants; no travel-related expenses if successor training occurs in Dallas, Texas.</p>		
Certified Training Designation	Then-current fee; currently \$250 per visit	On demand	We will charge you our then-current fee for every visit we make to your Restaurant to determine if your Restaurant qualifies for certified training Restaurant designation, or requalifies if your Restaurant has lost the designation.
Product or Program Rollouts	Then-current fee; currently \$250 per visit per program rollout	On demand	<p>If you request training assistance for any product or program rollout, we may provide training assistance for the rollout, at our option; or if we deem such assistance is necessary; we will charge you our then-current program rollout fee for every visit we make to your Restaurant, plus all reasonable costs and related expenses we incur, in connection with each program rollout.</p> <p>Our “reasonable costs and expenses” are based on our actual costs and expenses.</p>



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Technology Fee	The then-current fee (currently \$1,500 per year)	Annually	This fee covers certain technologies used in the operation of your Boston's Business. This fee may include fees paid to third-party vendors and it may be adjusted to reflect their price increases. You will also be responsible for any increase in fees that result from any third-party vendor price increases upgrades, modifications or additional software. You will sign the Terms of Service Agreement attached as <u>Exhibit H-7</u> of this Franchise Disclosure Document and the BostonLink Agreement attached as <u>Exhibit H-8</u> of this Franchise Disclosure Document.
Conference Fee	The then-current fee	Upon receipt of written notice that such convention is being held	Your " <u>Responsible Owner</u> " or " <u>Franchise Manager</u> ," (both defined in Item 15) if any, must attend any national or regional conferences we hold. This fee defrays the cost of your attendance. It is due regardless of whether or not you attend.
Supplier and Product Evaluation Fee	Costs of inspection (estimated to be approximately \$100 to \$500)	Within ten days after invoicing	Payable if we inspect a new product, service or proposed supplier nominated by you.
Food Safety Audit	Cost of actual audit, including travel and expenses	As incurred	If you fail a food safety audit, we will require you to undergo an additional food safety audit at your own expense within 45 days. You will pay the third-party auditor directly upon invoicing or must reimburse us if we are invoiced.
Cost of Operations Manual	Operations Manual \$500	On demand	The Operations Manual is currently in electronic form located on Bostonlink.org. If you require a hard copy of the Operations Manual, the \$500 fee will apply.
Customer Issue Resolution	The reasonable costs we incur for responding to a customer complaint (typically between \$20 to \$100)	Within 5 days of receipt of invoice	Payable if a customer of your Boston's Business contacts us with a complaint and we provide a gift card, refund or other value to the customer as part of our addressing the issue.
Payment Service Fee	Up to 4% of total charge	As incurred	We may charge this fee if you make a payment to us or our affiliate by credit card.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Late Payment Fee	\$100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us or our affiliate is not made by the due date. Interest accrues from the original due date until payment is received in full.
Non-Sufficient Funds Fee	\$100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event.
Failure to Submit Required Report Fee	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report or financial statement when due	Payable if you fail to submit any required report or financial statement when due. You will continue to incur this fee until you submit the required report.
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting, legal and travel expenses	On demand	You will be required to pay this if an audit reveals that you understated weekly Gross Sales by more than 3% or you fail to submit required reports.
Quality Inspection re-Audit Fee	Cost of re-audit; currently \$500	As incurred	We pay for quality inspection audits or mystery shoppers. If you fail to meet our required passing percentage rate you must pay a re-audit fee.
Management Fee	\$500 per day, plus costs and expenses	As incurred	Payable if we manage your Boston's Business after: (1) you cease to perform your responsibilities (whether due to retirement, death, disability, or for any other reason) and you fail to find an adequate replacement Responsible Owner (defined in Item 15) within 30 days; (2) you are in material breach of this Franchise Agreement; or (3) upon a crisis management event.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting or other professional fees (" <u>Professional Fees</u> ") that we incur as a result of any breach or termination of your Franchise Agreement or as a result of your indemnity obligations. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Securities Offering Fee	Cost and expenses associated with reviewing the proposed offering	As incurred	We have the right to review and consent to any public or private offerings of interests in you. We limit our review to the manner in which the offering materials treat your relationship with us.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses, including Professional Fees, that we or our representatives incur related in any way to your Boston's Business or Franchise.
Renewal Fee	\$25,000	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Relocation Fee	Our costs (including attorney fees)	Upon relocation	You must reimburse us for our reasonable expenses if we permit you to relocate your Boston's Business.
De-Identification	All amounts incurred by us related to de-identification	As incurred	Payable if we must de-identify your Boston's Franchise upon its termination, relocation or expiration.
Transfer Fee	\$25,000	\$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of the approved transfer	Payable in connection with the transfer of your Boston's Business, a transfer of ownership of your legal entity, or the Franchise Agreement (this does not apply to the transfer of an entity you control—see below).
Transfer to Entity Fee	Our actual costs	On demand	If you are transferring the Franchise Agreement to an entity that you control, you will not be required to pay a transfer fee, but you must pay our actual costs.
Liquidated Damages <sup>(4)</sup>	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees or similar charges	As incurred	If you transfer your Boston's Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.



Notes:

1. Fees. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors' and suppliers' policies. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer (“EFT”) or other similar means. You are required to complete the ACH authorization (in the form attached to this Franchise Disclosure Document in Exhibit GH-4. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. All fees expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index (“CPI”) in the United States. We may periodically review and increase these fees based on changes to the CPI, but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year. If you enter into an Area Development Agreement to operate multiple Boston’s Businesses, the fees indicated in the chart above are the fees charged and/or incurred for each Boston’s Businesses.
  
2. Royalty. “Gross Sales” means the total of all revenues, income, surcharges and consideration from the sale of all Boston’s merchandise, products and services to your customers whether or not sold or performed at or from the physical location of the Boston’s Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. Gross Sales includes all proceeds from any business interruption insurance. If you offer any services, all receipts from these services are included in Gross Sales. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to your customers. All barter or exchange transactions in which you furnish products or services in exchange for products or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products or services so provided to you. Gross Sales will also include any insurance proceeds due to business interruption as a result of your Boston’s Business being closed as a result of a casualty event or any other reason.
  
3. Local and Regional Advertising Cooperatives. If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members, subject to our approval. We anticipate that each Boston’s franchisee and each Boston’s Franchise that we own will have one vote for each Boston’s Franchise operated in the designated market. Each Boston’s Franchise we own that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.
  
4. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Fund Contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your Boston’s Business through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of months



remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee <sup>(1)</sup>	\$50,000	\$50,000	Lump Sum	On signing of Franchise Agreement	Us
Rent Expense <sup>(2)</sup>	\$10,000	<del>\$27,000</del> 28,350	As incurred	As incurred	Landlord
Real Property <sup>(3)</sup>	Varies	Varies	As incurred	As incurred	Seller
Site Due Diligence <sup>(4)</sup>	\$5,000	<del>\$12,000</del> 600	As incurred	As incurred Before Opening	Architect, Engineer, Attorney
Architectural and Engineering Fees <sup>(5)</sup>	\$36,000	<del>\$100</del> 105,000	As incurred	As incurred Before Opening	Architect, Engineer
Project Management <sup>(6)</sup>	\$45,000	<del>\$55,000</del> 57,750	As incurred	As incurred	Project Management Firm
Construction and Leasehold Improvements <sup>(7)</sup>	\$150,000	<del>\$1,400</del> 155,000	As incurred	As incurred	Contractors
Furniture, Fixtures and Equipment <sup>(8)</sup>	\$385,000	<del>\$800</del> 840,000	As incurred	As incurred	Suppliers
Audio / Visual Systems	\$75,000	<del>\$185</del> 168,000	As incurred	As incurred	Suppliers
POS & Computer <sup>(9)</sup>	\$35,000	<del>\$50,000</del> 52,500	As incurred	As incurred	Suppliers
Signage, Graphics & Artwork <sup>(10)</sup>	<del>\$35</del> 52,000	<del>\$75</del> 105,000	As incurred	As incurred	Suppliers
Liquor License <sup>(11)</sup>	\$1,000	\$10,000	As incurred	As incurred	Appropriate state/local authorities or third parties
Security and Utility Deposits and Permits <sup>(12)</sup>	\$1,000	\$7,000	As incurred	As incurred	Appropriate state/local authorities or third parties
Initial Training and Opening Expenses <sup>(13)</sup>	\$45,000	<del>\$72,000</del> 75,600	As incurred	As incurred	Third Parties
On-Site Opening Assistance <sup>(14)</sup>	\$15,000	\$15,000	As incurred	Before Opening	Us
Pre-Opening Marketing Assistance & Media <sup>(15)</sup>	\$20,000	\$20,000	As incurred	As incurred	Us
Inventory <sup>(16)</sup>	\$27,000	<del>\$47,000</del> 49,350	As incurred	As incurred	Suppliers



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Managers' Salaries <sup>(17)</sup>	\$49,000	\$65,000	As incurred	As incurred	Manager
Insurance <sup>(18)</sup>	\$1,500	\$2,500 <u>625</u>	As incurred	As incurred	Suppliers
Professional Fees <sup>(19)</sup>	\$8,000	\$15,000 <u>750</u>	As incurred	As incurred	Suppliers
Additional Funds (3 months) <sup>(20)</sup>	\$30,000	\$50,000 <u>52,500</u>	As incurred	Varied times	<u>Us and</u> Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT <sup>(21)</sup>	\$1,023 <u>040,500</u>	\$2,757,500 <u>887,025</u>	(excluding real property)		

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Boston's Business. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Boston's Franchises. These estimates are based on open shop bidding practices with no premium built in for the cost of union labor. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. If you purchase the rights to operate multiple Boston's Businesses under an Area Development Agreement, the only additional initial cost that you will incur over the purchase of a single Franchise, will be the Development Fee until you open the additional Boston's Business. Once you open additional Boston's Businesses, you will incur the costs listed in this Item 7 (except for the Initial Franchise Fee) at the time you open the additional Boston's Businesses. These costs may increase in the future depending on when you open the additional Boston's Businesses. The estimate does not include the build-out of any Boston's Restaurant other than the first one.
2. Rent Expense. This range is based upon a Boston's Pizza between 5,000 to 7,000 square feet of interior space. If you do not own suitable space or land for your Restaurant, you must rent premises suitable for the operation of a Restaurant. This estimate is for your rent the first month and does not include an estimate of monthly operating expenses, including, but not limited to, common area maintenance, real estate taxes and Landlord insurance. The rental expense may vary widely based on geographic location, size of the facility, local rental rates, Landlord's work, Tenant Improvement Allowance and other factors.
3. Real Property If you do not currently have acceptable space for your restaurant and do not rent premises for the operation of the Restaurant, you must purchase at least 5,000 to 7,000 square feet of suitable space. Real estate values vary dramatically from region to region. If you choose to buy, rather than rent, real estate on which a building suitable for your restaurant already is constructed or could be constructed, the real estate will have varied costs depending on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying, so we cannot estimate the cost of purchasing real estate.



4. Site Due Diligence. We must accept the site selected by you in writing before you can proceed. Prior to granting our acceptance of a site, we will require you to retain the services of our designated project management firm who will assist you in site specific due diligence, including but not limited to initial conditions review and analysis, municipal review, scope development, initial site and floor planning, budget development and timeline development.
5. Architectural and Engineering Fees. You must utilize our designated architect for your Restaurant unless otherwise approved in writing by us. You will be provided a prototypical set of drawings for a Restaurant. These drawings must be site adapted to each individual site as required to meet local and state building codes. This range represents the estimated cost you will pay for the architectural services required to “site adapt” the prototype drawings for your location as required to receive a building permit. Extensive revisions to non-prototype sites are not included in this range and may be greater than the high estimate.
6. Project Management. You must retain the services of our designated project management firm who specializes in assisting restaurant operators during the construction process. The project management firm will assist you in submitting, processing, monitoring and obtaining all necessary construction documents, licenses and permits and to advise you throughout the construction of your Restaurant.
7. Construction and Leasehold Improvements. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of your Restaurant. In our experience, construction costs continue to rise. This range represents the estimated construction costs for interior improvements for an existing restaurant retrofit or build out from a building shell.
8. Furniture, Fixtures and Equipment. This estimate involves the furniture, fixtures and equipment you will need to open a Boston’s Business, such as chairs, tables, casework, refrigerators, freezers, grills, ranges, deep fryers, exhaust hoods and other items. Some of these expenses will depend on Boston’s Restaurant size, shipping distances, supplier chosen and your credit history. You must utilize our kitchen equipment vendor for your Restaurant unless otherwise approved in writing by us.
9. POS and Computer. The range in the table above includes the costs of point-of-sale and computer systems. You must purchase a POS system in accordance with our specifications from a designated supplier.
10. Signage, Graphics and Artwork. This amount includes the costs of building signs, monument signs, and/or pole signs as well as interior graphics and art package.
11. Liquor License. You are required to obtain and maintain a liquor license. The cost of a liquor license can be significantly higher in states where the number of licenses is severely restricted or available only from an existing holder. Costs of obtaining a liquor license vary widely, so we cannot estimate the cost of obtaining one.
12. Security and Utility Deposits and Permits. You may need to pay permit fees and utility deposits in establishing your Restaurant. These amounts can vary, depending on the municipality.
13. Initial Training and Opening Expenses. This amount represents the estimated cost to hire and train a management team and hourly employees who will staff the Restaurant. This entry



includes expenses associated with the attendance at our initial training program as well as with the on-site training provided by our employees during the opening of your Restaurant and expenses associated with the opening of the Restaurant. You are solely responsible for all opening expenses you or your attendees incur.

14. On-Site Opening Assistance. For each of your first two Restaurants, we will provide you with trainers for up to three weeks of on-site training before and during the opening of your Restaurant. You must pay us an on-site opening assistance fee of \$15,000. For your third and subsequent Restaurant openings (if applicable), if you request, or if we determine, that on-site opening assistance is necessary, we will provide such assistance based on availability of our or our affiliates' personnel, and you must pay the On-Site Opening Assistance Fee.
15. Pre-opening Marketing Assistance and Media. You will be required to spend a minimum of \$20,000 on initial marketing as discussed in Item 5.
16. Inventory. You must purchase an initial inventory of food products, liquor/alcohol, beverages, and Restaurant supplies according to our specifications.
17. Managers' Salaries. This is an estimate of the Managers' salaries during training and before opening your Restaurant.
18. Insurance. This amount represents an estimate of the down payment on your annual insurance premiums. If you have had prior issues or claims from previous operations unrelated to the operation of a Restaurant, your rates may be significantly higher than those estimated above.
19. Professional Fees. We strongly recommend that you hire a lawyer, accountant or other professional to advise you on this Franchise offering and to assist you in setting up your Boston's Business. Rates for professionals can vary significantly based on area and experience.
20. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Boston's Business. They include payroll, administrative, maintenance, utilities, rent, software license fees, working capital and other items. These figures do not include standard pre-opening expenses, Royalties, or advertising fees payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. The standard pre-opening expenses could include expenses such as incorporation fees, taxes, employee recruitment and other variable costs such as internet service and mobile phones. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Boston's Business opens for business. The high estimate includes \$1,350 for additional franchisee requested training. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Boston's Businesses.
21. This is an estimate of your initial startup expenses for one Boston's Business. ~~You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.~~

## Area Developer



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fee <sup>(1)</sup>	\$100,000	\$150,000	Lump sum	At the Time You Sign your Area Development Agreement	Us
Initial Investment for the First Boston's Business <sup>(2)</sup>	\$973,990,500	\$2,707,500,837,025	Per Table Above	Per Table Above	Per Table Above
TOTAL ESTIMATED INITIAL INVESTMENT FOR UP TO TWO BOSTON'S BUSINESSES <sup>(2)(3)</sup>	\$2,047,081,000	\$5,515,000,774,050			
TOTAL ESTIMATED INITIAL INVESTMENT FOR UP TO THREE BOSTON'S BUSINESSES <sup>(2)(3)(4)(5)</sup>	\$3,055,106,500	\$8,272,500,661,075			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Boston's Businesses under an Area Development Agreement. We do not offer direct or indirect financing for these items. All expenses payable to the parties are non-refundable, except as you may otherwise arrange.

1. Development Fee. The Development Fee is equal to \$50,000 multiplied by the number of Restaurants to be developed. The low estimate represents entering into an Area Development Agreement for two Boston's Businesses and the high estimate for three Boston's Businesses. The Development Fee is payable when you sign your Area Development Agreement, fully earned immediately upon receipt and is non-refundable, even if you do not open any Boston's Businesses. Area Developers must open a minimum of one Boston's Business.
2. Initial Investment for First Boston's Business. These are the estimates to start your Boston's Business as described in the single franchised Boston's Business chart above, except for the Initial Franchise Fee which is replaced by the Development Fee. Costs associated with starting additional Boston's Businesses are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs and will depend on when the additional Boston's Businesses are opened.
3. The On-Site Opening Assistance Fee is required for your first two Boston's Businesses and may be required for your third and subsequent Restaurant openings. The low estimate assumes you are not required to pay the On-Site Assistance Fee for your third Boston's Business. The high estimate assumes you have requested or we have determined that on-site opening assistance is necessary.



4. If you purchase multiple franchised businesses under the Area Development Agreement, you will incur all of the costs listed above for each Boston's Business you open except that you will pay a Development Fee, not Initial Franchise Fees. This is only an estimate of your initial investment and is based on our estimate of domestic costs and market conditions prevailing as of the Issuance Date of this Franchise Disclosure Document. Review these figures carefully with a business advisor and/or legal counsel before deciding to purchase an Area Development Franchise. The availability and terms of financing depend on several factors, including the availability of financing, your creditworthiness, collateral you may have, and lending policies of financial institutions. You should review these figures with a business advisor, financial consultant or other professional before deciding to purchase an Area Development Franchise.
5. If you do not have a certified training Restaurant before you open your third and subsequent Restaurants (if applicable), we will provide initial training to your managers at our Dallas training center, and you must pay us our then-current fee for additional training (currently \$1,000 per trainer per five-day period). If we provide the initial training at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses. This high estimate assumes an additional training fee of \$1,000 and actual travel expenses.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

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

Our confidential operations manual ("Operations Manual") is posted electronically on [Bostonlink.org](http://Bostonlink.org) and states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Boston's Franchise and approved vendors for these products and services. We will notify you of new or modified standards, specifications and guidelines through periodic amendments or supplements to the Operations Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use only ~~use~~ fixtures, furnishings, equipment, signs and supplies that conform to the standards and specifications described in the Operations Manual or otherwise in writing.

We may utilize proprietary food products and recipes and may continue to develop and own proprietary recipes. In order to protect our trade secrets and to monitor the manufacture, packaging, processing and sale of proprietary food products, we or our affiliates may: (i) manufacture, supply and sell proprietary food products to Boston's franchisees; and/or (ii) disclose the formula for methods and preparation of the proprietary food products to a limited number of suppliers, including one or more of our affiliates, who we authorize to manufacture these proprietary food products to our precise specifications and sell these products to Boston's franchisees. You must purchase the proprietary products we or our affiliates develop from time to time for proprietary recipes or formulas and purchase them only from us or a third party who we have licensed to prepare and sell the products. All non-proprietary ingredients, beverage products, cooking materials, containers, cartons, bags, menus, napkins, other paper and plastic products, utensils, uniforms and other supplies and materials used in your Boston's Business must strictly



conform to our quality standards and reasonable specifications. Certain products such as plates, cups, boxes and containers bearing the trademarks must be purchased by you from certain suppliers approved by us who are authorized to manufacture these products bearing our trademarks.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products in sufficient quantities and variety to realize the full potential of your Boston's Business. You must use the menus and menu boards that we designate and serve meals and products in the manner we designate.

We are not currently an approved supplier of any products or services provided to franchisees. BPR is currently an approved supplier of marketing and advertising services. Some of our officers own an interest in BPR, an approved supplier. We and our affiliates reserve the right to become approved suppliers of other products or services in the future.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Boston's Business. You must obtain the computer hardware, software licenses, maintenance and support services and other related services that meet our specifications from the suppliers we specify. You may be required to use approved suppliers for certain technology business solutions at your expense that will support your business efficiencies, which may include phone systems, security systems, scheduling software, digital ordering, employee shift/task management software, inventory solutions and any other solutions we may require from time to time in the Operations Manual.

You must obtain the insurance coverage required under the Franchise Agreement, as follows:

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

The insurance company must be authorized to do business in the state where your Boston's Business is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties. Your policy must provide that the insurer will not cancel or materially alter the policies without giving us at least 30 days' prior written notice.

We will provide you with a list of our designated and approved suppliers in our Operations Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and



services that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We apply the following general criteria in approving a proposed supplier: (1) quality of services; (2) production and delivery capability; (3) proximity to Boston's Franchises to ensure timely deliveries of the products or services; (4) the dependability of the supplier; and (5) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

We estimate that approximately 85% of purchases required to open your Boston's Business and 50% to 60% of purchases required to operate your Boston's Business will be from us or from other approved suppliers or under our specifications. We and our affiliates may receive rebates from some suppliers based on your purchase of products and services and we have no obligation to pass them on to our franchisees or use them in any particular manner. We have multiple agreements where rebates are received from designated or approved suppliers covering including items such as fountain beverages, chemical, paper, and food products. These rebates can range from 2.0% to 5.0% of the total cost of systemwide purchases for these products and services. During the fiscal year ended December 31, ~~2023~~2022, we received \$1,449,000~~108,957~~ in rebate revenue from designated or approved suppliers as a result of franchisees' product purchases from designated suppliers. This represents approximately ~~34~~28% of our total revenue of \$3,732,874~~966,539~~. During our last fiscal year ended December 31, ~~2023~~2022, neither we nor our affiliates derived revenue or other material consideration as a result of franchisees' required purchases or leases.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees, and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We work with Fresh Concepts and with Consolidated Concepts as our group purchasing organizations. Consolidated Concepts reimburses the travel and lodging expenses that we incur when attending Consolidated Concepts' annual conference and Fresh Concepts aggregates quality and cost effectiveness of produce. Except for these two group purchasing organizations, we do not have any purchasing or distribution cooperatives.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

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

### Franchise Agreement



Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 7	Items 7 and 11
b. Pre-opening purchases/leases	Sections 7 and 19	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 7 and 19	Items 7 and 11
d. Initial and ongoing training	Section 8	Items 6, 7 and 11
e. Opening	Sections 7 and 12	Items 6, 7, 9 and 11
f. Fees	Sections 5, 6, 7, 8, 9, 10, 12, 14, 16 and 20	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 9, 12 and 13	Items 8, 11, 12, 14 and <u>Exhibit GF</u>
h. Trademarks and proprietary information	Sections 9, 14 and 17	Items 13 and 14
i. Restrictions on products/services offered	Section 13	Items 8 and 16
j. Warranty and customer service requirements	Section 13	Items 1 and 11
k. Territorial development and sales quotas	Section 4	Items 1, 11 and 12
l. Ongoing product/service purchases	Section 13	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 13	Items 7, 8 and 11
n. Insurance	Section 19	Items 6, 7 and 8
o. Advertising	Section 12	Items 11, 13 and 14
p. Indemnification	Section 22	Not Applicable
q. Owner's participation/management and staffing	Section 10	Items 11, 15 and 17
r. Records and reports	Section 20	Item 11
s. Inspections and audits	Section 21	Items 6 and 11
t. Transfer	Sections 15 and 16	Item 17
u. Renewal	Section 5	Item 17
v. Post-termination obligations	Sections 18 and 26	Item 17
w. Non-competition covenants	Section 18	Item 17 and <u>Exhibit H-2</u>
x. Dispute resolution	Section 28	Item 17

### Area Development Agreement



Obligation	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6	Item 11
b. Pre-opening purchases/leases	<del>None</del> Not applicable	Items 5, 7 and 8
c. Site development and other pre-opening requirements	<del>None</del> Not applicable	Item 8
d. Initial and ongoing training	<del>None</del> Not applicable	Item 5 & 11
e. Opening	<del>None</del> Not applicable	None
f. Fees	Section 3	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	<del>None</del> Not applicable	Item 11, 14 and 16
h. Trademarks and proprietary information	<del>None</del> Not applicable	Items 13 and 14
i. Restrictions on products/services offered	<del>None</del> Not applicable	<del>None</del> Not applicable
j. Warranty and customer service requirements	<del>None</del> Not applicable	<del>None</del> Not applicable
k. Territorial development and sales quotas	Section 5	Item 12
l. Ongoing product/service purchases	<del>None</del> Not applicable	<del>None</del> Not applicable
m. Maintenance, appearance and remodeling requirements	<del>None</del> Not applicable	<del>None</del> Not applicable
n. Insurance	<del>None</del> Not applicable	<del>None</del> Not applicable
o. Advertising	<del>None</del> Not applicable	Items 6 and 11
p. Indemnification	Section 13	Item 6
q. Owner's participation/management and staffing	<del>None</del> Not applicable	Items 1, 11 and 15
r. Records and reports	<del>None</del> Not applicable	Item 17
s. Inspections and audits	<del>None</del> Not applicable	<del>None</del> Not applicable
t. Transfer	Section 9	Items 6 and 17
u. Renewal	<del>None</del> Not applicable	<del>None</del> Not applicable
v. Post-termination obligations	Sections 8	Item 17
w. Non-competition covenants	<del>None</del> Not applicable	Item 17
x. Dispute resolution	Section 17	Item 17

## ITEM 10 FINANCING

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

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

**Except as listed below, BPR is not obligated to provide you with any assistance.**

### Pre-opening Obligations

Before you open your Boston's Business, we (or our designee) will provide the following assistance and services to you:



1. Provide an initial training program (See Franchise Agreement - Section 8.1). We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the System and brand standards to your key employees. You will be responsible for hiring, training, directing, scheduling and supervising your employees and independent contractors in the day-to-day operations of the Boston's Business.

2. Give you access to the electronic Operations Manual. The Operations Manual contains approximately 1,675 pages. The table of contents for the Operations Manual is attached to this Franchise Disclosure Document as Exhibit F (See Franchise Agreement - Section 9.1).

3. Provide you with advice in identifying a suitable location for your Boston's Business, if you request assistance (See Franchise Agreement - Section 7). You must use our approved vendor to advise and counsel you on site selection for your Boston's Business. We must approve the site before you sign the lease.

In evaluating a proposed premises, we consider such factors as general location and neighborhood, traffic patterns, parking, size, lease terms, income per capita, existence of competitors, and other physical characteristics. Before leasing or purchasing the site for your Boston's Business, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease the site for your Boston's Business within 180 days after signing the Franchise Agreement. If you do not locate a site that is acceptable to us within 180 days of signing the Franchise Agreement, or find acceptable sites and open the Boston's Business by the deadlines in your Area Development Agreement, we may terminate the agreements. We generally do not own the premises for the Boston's Business and lease it to you.

4. Review your lease agreement for the premises of your Boston's Business to ensure that its terms contain our required provisions and otherwise meet our minimum standards (See Franchise Agreement - Section 7.3).

5. Once you have an approved premises for your Boston's Business, we will designate a ~~territory~~ your "Franchise Territory" (see Item 12 below). If you sign an Area Development Agreement, we will designate the Development Territory before you sign the Area Development Agreement.

6. We will provide a copy of our basic specifications for the design and layout for the premises of the Boston's Business. You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of the premises for your Boston's Business. You are responsible for the costs of construction and remodeling. We may not assist you in conforming the premises to local ordinance and building codes nor do we assist you in obtaining any required permits. We may not assist you in remodeling or decorating your Boston's Business. You must hire our designated architect, or an architect approved by us in order for any modifications to these plans to comply with all local ordinances, building codes, permits requirements, and lease requirements and restrictions applicable to the Premises. We do not assist you in remodeling or decorating your premises. We do not deliver or assist with the installation of any fixtures, furnishings, equipment, signs or other supplies. You will be responsible for completing these services to our satisfaction and ensuring that they comply with our system standards. We will provide you with a list of our designated and approved suppliers in our Operations Manual. You must purchase at your own cost, install, maintain in sufficient supply, and use only fixtures, furnishings, equipment, signs, and supplies that confirm to the standards and specifications describes in the Operations Manual or otherwise in writing. (Franchise Agreement - Section 7.4).



7. Provide you with materials and consultation in connection with the pre-opening marketing for your Boston's Business (See Franchise Agreement - Section 12.5).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Boston's Businesses.

### Schedule for Opening

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of your Boston's Business can vary from nine to 15 months. Some factors which may affect this timing are your ability to acquire a location through lease or purchase negotiations; your ability to secure any necessary financing; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; the timing of the delivery of equipment, tools and inventory; and the time to convert, renovate or build out the premises for your Boston's Business.

You must open your Boston's Business to the public within 466 days after signing the Franchise Agreement.

If you are an Area Developer, you must sign the franchise agreements within the time period noted in your Development Schedule. The typical length of time between the signing of a Franchise Agreement and the opening of your first Boston's Business under an Area Development Agreement is the same as for a single Boston's Business. Each additional Boston's Business you develop must be opened according to the terms of your Development Schedule. The site selection and approval process for each Boston's Business under an Area Development Agreement is the same as that for a single Boston's Business and will be governed by the Franchise Agreement signed for that location.

### Continuing Obligations

During the operation of your Boston's Business, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory standards, specifications and procedures for the operation of your Boston's Business (See Franchise Agreement - Sections 9, 12, 13 and 14).

2. Upon reasonable request, provide advice regarding your Boston's Business's operation based on reports or inspections. Advice will be given during our regular business hours and through written materials, electronic media, telephone or other methods in our discretion (See Franchise Agreement - Section 9.2).

3. Provide additional training to you for newly-hired personnel on the Boston's brand and System guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 8).

4. Allow you to continue to use confidential materials, including the Operations Manual and the Marks (See Franchise Agreement - Sections 9 and 17).

### Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:



1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new menu items, new equipment or new techniques.
2. Make periodic visits to the Boston's Business for the purpose of assisting in all aspects of the operation and management of the Boston's Business, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Boston's Business, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.
3. Maintain and administer a Brand Fund. We may dissolve the Brand Fund upon written notice (See Franchise Agreement - Section 11).
4. Advise you on your local marketing strategies and provide assistance with their implementation (See Franchise Agreement – Section 11).
5. Hold periodic national or regional conferences to discuss business and operational issues affecting Boston's franchisees.
6. Establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

## Advertising

### *Brand Fund*

The Brand Fund is for marketing, developing, and promoting the System, the Marks and Boston's Franchises. You must pay 3% of your week Gross Sales to the Brand Fund ("Brand Fund Contribution"). Each franchisee will be required to contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Boston's Businesses owned by us will contribute to the Brand Fund on the same basis as franchisees.

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, ~~and we~~. ~~We may use a professional to prepare advertising agency materials in-house or media buyer to assist us use national and/or regional advertising.~~ The Brand Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional, or national marketing, or any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Boston's brand. For example, we may use the Brand Fund for: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development (including social media) and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for Brand Fund Contributions; (xii) preparing and distributing financial accountings of the Brand Fund; (xiii) conducting quality assurance programs and other reputation management functions; and (xiv) our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities.



We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating “Franchises Available” or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will make available an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. During our fiscal year ended December 31, ~~2023~~2022, we spent ~~55%~~45% of the Brand Fund Contributions on production, ~~40%~~50% on media, and 5% on administration.

### *Local Advertising*

In addition to the Brand Fund Contributions, you must spend 1% of Gross Sales on local advertising (“Local Advertising Requirement”). On or before the tenth day of each month, you must provide us a local advertising report that includes substantiating receipts, that details your local advertising expenditure for the preceding month. We have the right to review your books and records from time to time to make sure that you comply with the Local Advertising Requirement. If you fail to spend the Local Advertising Requirement, you will be required to pay the difference to the Brand Fund. If you wish to advertise online, you must follow our online policy. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page.

We may require you to order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, including your own website, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay our then-current unauthorized advertising fee, (currently \$500 per occurrence) to the Brand Fund.

You agree, at your sole cost and expense, to issue and offer such rebates, giveaways and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways and other promotions issued by other Boston’s franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation. You will not create or issue any gift cards or certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Boston’s Businesses, and you will not issue coupons or discounts of any type except as approved by us.

We do not currently have any advertising cooperatives. However, we reserve the right to create local or regional advertising cooperatives in the future. You may be required to participate in any local or



regional advertising cooperatives for Boston's Franchises that are established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative for each Boston's Business that the franchisee owns that exists within the cooperative's area. Each Boston's Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We reserve the right to form, change, dissolve or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you will be required to participate in compliance with the provisions of the Operations Manual, which we may periodically modify at our discretion.

### *Pre-Opening Marketing*

Approximately 24 weeks before the opening date of your Restaurant, we will present you with a customized marketing plan specific to your Restaurant's trade area that will outline materials needed to operate your Restaurant and a paid media strategy to announce your opening to the community. We will work with you on the plan. The plan will cost \$20,000 and is designed to advertise and promote the opening of your Restaurant. You must select a media plan option and pay us the cost of such option within 14 days of receipt of the presentation. We must approve all advertising, methods, and media you use in connection with your Restaurant and the Marks. Any portion of the Pre-Opening Marketing Assistance amount that is unused as of the opening date of your Restaurant will be used for marketing your Restaurant in your territory after opening. You will be required to submit written requests to us to pay the advertising vendor directly until the unused funds are spent. There is no deadline for you to use the remainder and any balance will continue to roll over until exhausted. You will be responsible for any costs that exceed the remainder of your Pre-Opening Marketing Assistance. Any marketing or advertising beyond your Pre-Opening Marketing Assistance plan and payment is subject to your Brand Fund Contribution and Local Advertising Requirement obligations, as applicable.

### *System Website*

We have established a website for Boston's Businesses ("System Website"). We intend that any franchisee website will be accessed only through our System Website. We have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may modify, update or add to the System Website at any time.

We are only required to reference your Boston's Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards.

### *Advisory Council*

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council's bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion.

### Computer System



You are required to purchase a computer system (“Computer System”) that consists of the following hardware and software: (a) Multiple POS terminals, printers, computer workstations, digital devices and a kitchen video system and all related connectivity devices; and (b) our POS system, Posi-Touch. We estimate the cost of purchasing the Computer System will be between \$35,000 to ~~\$50,000~~\$52,500. The Computer System will manage the daily workflow of the Boston’s Business, coordinate the customer ordering experience, track inventory, labor and other information. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your Boston’s Business. You must also maintain a high-speed Internet connection at the premises of the Boston’s Business. In addition to offering and accepting Boston’s gift cards and loyalty cards, you must accept all credit cards and debit cards that we determine.

We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System (Franchise Agreement - Section 14.1). You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs or upgrades relating to the Computer System.

The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will be approximately \$4,500, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically.

You must pay our then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies, which may include phone systems, security systems, scheduling software, employee shift/task management software, music subscription, inventory solutions and any other solutions we may require from time to time in the Operations Manual for your Boston’s Business. We reserve the right to upgrade, modify and add new systems and software, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, digital ordering, modifications or additional systems or software and for any increase in fees from third-party providers.

We (or our designee) have the right to independently access the electronic information and data relating to your Boston’s Business and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Boston’s Business or from other locations.

## Training

### *Initial Training*

You or your Responsible Owner and any Franchise Manager (defined in Item 15) or representative that we require must complete the initial training to our reasonable satisfaction, as determined by the specific program instructors, before you open your Boston’s Business. We provide initial training at no cost for up to seven people so long as everyone attends the initial training at the same time. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or



reimbursement for services or expenses for participation in the initial training program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food and similar expenses. We plan to provide the training listed in the table below.

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
<p>Week 1: Boston’s history/culture, program orientation, guest service, hiring/retention, sexual harassment, product knowledge, meet/greet corporate representatives, training review/expectations</p> <p>KM/GM - Equipment maintenance, station specific training preparation, set-up, production, close down, ordering, receiving, inventories, par levels, labor scheduling, and budgeting</p> <p>FP – All of the above</p>	20	30	Our offices and corporate training center in Dallas, Texas
<p>Week 2: Management orientation, floor supervision, daily administration, cost controls, bar operations and management</p> <p>GM/FP: station specific training, shift meetings, POSi system, TOAD, catering, labor management; Expo</p> <p>KM: Further station specific training. Item prep, training programs</p>	20	30	Our offices and corporate training center in Dallas, Texas
<p>Week 3: One-on-one with Support Center representatives: Training, Employee &amp; Management Development, Employee Retention &amp; Hiring, Construction &amp; Development, Purchasing, Menu Development, Operations, Financial Planning, and Marketing &amp; Advertising</p> <p>Kitchen management, ordering, receiving, inventories, par levels, labor scheduling, and budgeting, product knowledge</p> <p>Dining room orientation, station specific training, FOH set-up, service expectations, shift change, close down, shift meetings, POSi,</p> <p>FP – All of the above</p>	10	40	Our offices and corporate training center in Dallas, Texas
<b>TOTAL</b>	50	100	

**Notes:**

1. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. We will use the Operations Manual as the primary instruction materials during the initial training program.
2. Jeffrey Melnick currently oversees our training program. He has over 40 years’ experience in the restaurant industry and has been our President since 2018. We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have



at least one year of experience in the subject matters that they teach.

### *Ongoing Training*

From time to time, we may require that you or your principal owner, Franchise Managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new Responsible Owner or transfer ownership, or if you hire a new Franchise Manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Boston's Business. You may also request additional training (either at corporate headquarters or at your Boston's Business). You must pay us \$1,000 per trainer per five-day period, plus \$350 per diem per day per trainer, plus travel-related expenses per attendee per day for additional training, and you must pay for airfare, meals, transportation costs, lodging and incidental expenses for all of your training program attendees.

If we determine that you are not operating your Boston's Business in compliance with the Franchise Agreement or the Operations Manual, we may require that your Responsible Owner, Franchise Manager and other employees attend remedial training. You will be required to pay us the then-current training fee for any such training. If the training program is conducted at your Boston's Business, you must reimburse us for the expenses we or our representatives incur in providing the training. In addition to participating in ongoing training, you will be required to attend any national or regional meeting or conference of franchisees. You are responsible for any conference fee and all travel and expenses for your attendees.

## **ITEM 12 TERRITORY**

### Franchise Agreement

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

You may operate your Boston's Business only at the approved location. The approved location for your Boston's Business will be listed in the Franchise Agreement. If you have not identified an approved location for your Boston's Business when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. You are not guaranteed any specific approved location, and you may not be able to obtain your top choice as your approved location. You may not conduct your Boston's Business from any other location.

~~The~~We will grant you a protected territory ("Franchise Territory is determined") based on the geographic area and populations properties within that area and other relevant demographic characteristics and will typically be a one-mile radius around your Boston's Business. We will not grant you this right if your Boston's Business is located in a metropolitan area (areas in which the population during any 24-hour period exceeds 50,000 persons per square mile). In addition, we may not grant you this right if your Boston's Business will be located in a non-traditional location such as an airport, hotel, convention center, sports arena or stadium, college campus, amusement park, within the premises of another business or a similar venue. The Franchise Territory does not depend on your achievement of a minimum sales volume or other contingency. You do not receive the right to acquire additional Franchises unless you purchase the



right in your Area Development Agreement. Except as noted above, we do not grant you any options or rights of first refusal under the Franchise Agreement. You are not prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Franchise Territory. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. If you renew your Franchise, your Franchise Territory may be modified depending on the then-current demographics of the Franchise Territory, and on our then-current standards for territories. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You must follow our off-site policies and procedures in our Operations Manual, which may allow you or third parties to provide catering and delivery services in the territories of other Boston's Businesses without compensating the operator of those restaurants. These policies may require you to provide catering and delivery services and/or utilize third-party delivery services. You may be required to use the third-party delivery service(s) with which we have a national contract, and you may not contract with any other delivery platform without our written approval. We reserve the right to establish a non-exclusive delivery system such as call-ahead, internet-order, mobile application or similar program in which case you agree to participate and pay all fees and charges we, our affiliate or designated supplier incurs for your participation. These policies may allow other Boston's Businesses or third parties to provide catering and delivery services in your Franchise Territory without compensating you. We may impose restrictions in the future that prevent you from providing catering and delivery services outside of your Franchise Territory.

We retain all territory rights (for ourselves and our affiliates) not expressly granted to you. We may use the Marks or the System to sell any products or services similar to those which you will sell through any alternate channels of distribution or non-traditional locations within or outside of the Franchise Territory. We and our affiliates have the right to operate, and to license others to operate, Boston's Businesses at any location outside the Franchise Territory, even if doing so will or might affect your operation of your Boston's Business. You are not granted any rights to use the Internet as a channel of distribution and may not independently market on the Internet or conduct e-commerce unless we have expressly allowed you to do so in writing.

We may use trademarks other than the Marks to sell any products or services similar to those which you will sell within or outside of the Franchise Territory. Although we reserve the rights described, neither we nor any affiliate operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises. We may purchase, be purchased by, merge or otherwise acquire competitive businesses within and outside the Franchise Territory. If such a situation occurs, the newly acquired businesses may not operate under the Marks in the Franchise Territory but may operate under the System. We may implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We have the right to issue mandatory policies to coordinate such multi-area marketing programs. Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises.

We are not required to pay you if we exercise any of our rights within your Franchise Territory. The continuation of the Franchise Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency (other than complying with the terms of the Franchise Agreement). We will not be required to pay any compensation for soliciting or accepting orders inside your Franchise Territory.

You may not relocate your Boston's Business without our prior written approval. We may approve a request to relocate your Boston's Business in accordance with the provisions of the Franchise Agreement



that provide for the relocation of your Boston's Business, and our then-current site selection policies and procedures.

You do not receive the right to acquire additional Boston's Franchises unless you purchase the right in your Area Development Agreement. You are not given a right of first refusal on the sale of existing Boston's Franchises.

You do not receive the right to acquire additional Boston's Franchises within the Franchise Territory. You are not given a right of first refusal on the sale of existing Boston's Franchises. If you wish to purchase an additional Boston's Franchise, you must apply to us, and we may, at our discretion, offer an additional Boston's Franchise to you. We consider a variety of factors when determining whether to grant additional Boston's Franchises. Among the factors we consider, in addition to the then-current requirements for new Boston's franchisees, are whether or not the franchisee is in compliance with the requirements under their current Franchise Agreement.

### Area Development Agreement

You are assigned a Development Territory in the Area Development Agreement. You must develop a designated number of Boston's Franchises in the Development Territory. The size of the Development Territory will depend on the number of Boston's Businesses to be developed, the demographics of the territory, the population and other factors. The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Area Development Agreement. We will determine the Development Territory before you sign the Area Development Agreement based on various market and economic factors. In certain densely-populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely-populated urban areas may have significantly larger areas.

The Development Territory will be a non-exclusive territory for the development of a certain number of Boston's Franchises during the term of the Area Development Agreement so long as you are in compliance with the Area Development Agreement. The rights granted under the Area Development Agreement relate only to the development of the Boston's Franchises identified in the Area Development Agreement. So long as you are in compliance with the Area Development Agreement, we will not establish or franchise others to establish another Boston's Business within your Development Territory during the term of the Area Development Agreement.

We retain all territory rights (for ourselves and our affiliates) not expressly granted to you. We may use the Marks or the System to sell any products or services similar to those which you will sell through any alternate channels of distribution or non-traditional locations within or outside of the Territory. We and our affiliates have the right to operate, and to license others to operate, Boston's Businesses at any location outside the Development Territory, even if doing so will or might affect your operation of your Boston's Business. You are not granted any rights to use the Internet as a channel of distribution and may not independently market on the Internet or conduct e-commerce unless we have expressly allowed you to do so in writing.

We may purchase, be purchased by, merge or otherwise acquire competitive businesses within and outside the Development Territory. If such a situation occurs, the newly acquired businesses may not operate under the Marks in the Development Territory but may operate under the System. We may implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We have the right to issue mandatory policies to coordinate such multi-area marketing programs.



We are not required to pay you if we exercise any of our rights within your Development Franchise Territory. The continuation of the Franchise Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency (other than complying with the terms of the Franchise Agreement). We will not be required to pay any compensation for soliciting or accepting orders inside your Development Territory.

We may conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the earlier of completion of the Development Schedule or the termination of the Area Development Agreement. After the termination or expiration of the Area Development Agreement, the only territorial protections that you will receive upon termination will be those under each individual franchise agreement.

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule will constitute a material event of default under the Area Development Agreement and we may: (i) terminate the Area Development Agreement; (ii) reduce the area of the Development Territory; (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance.

Area Developers must own at least a 51% equity interest in the franchisee for each Boston's Franchise developed under the Area Development Agreement.

### ITEM 13 TRADEMARKS

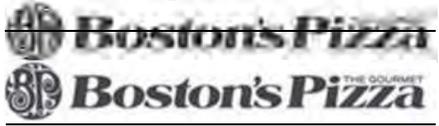
The Marks and the System are owned by TPI and are licensed exclusively to us. TPI has granted us an exclusive license (“Trademark License”) to use the Marks to franchise the System in the United States. The Trademark License is for five years and began on December 21, 2001. It will automatically renew for subsequent five-year periods so long as we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. If the Trademark License is terminated, TPI has agreed to license the Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the Boston's Franchise. TPI has registrations with the United States Patent and Trademark Office (“USPTO”) for the following Marks:

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



Trademark	Registration Number	Date of Registration	Register
PASTA TUESDAY	2,973,711	July 19, 2005	Principal
MAMA MEATA	2,955,801	May 24, 2005	Principal
MAMA MEATA	3,142,865	September 12, 2006	Principal
MAMA MEATA	3,199,317	January 16, 2007	Principal
BOSTON'S THE GOURMET PIZZA & Design 	3,038,095	January 3, 2006	Principal
BP & Design 	4,927,846	March 29, 2016	Principal
BOSTON'S THE GOURMET PIZZA	5,174,590	April 4, 2017	Principal
	5,667,062	January 29, 2019	Principal



Trademark	Registration Number	Date of Registration	Register
	5,667,048	January 29, 2019	Principal
WE'LL MAKE YOU A FAN.	5,667,047	January 29, 2019	Principal
<del>BP BOSTON'S THE GOURMET PIZZA &amp; Design (Horizontal)</del> 	6,034,075	April 14, 2020	Principal
<del>BP BOSTON'S THE GOURMET PIZZA WE'LL MAKE YOU A FAN. &amp; Design (Horizontal)</del> 	6,034,088	April 14, 2020	Principal

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the Franchise.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in the premises of your Boston's Business that you are an independently-owned and operated licensed franchisee of Boston's. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Boston's Franchise, or any interest in the Boston's Franchise. All rights and goodwill from the use of the Marks accrue to us.

We will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is



warranted. You must notify us within three business days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within 30 days after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

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

The information in the Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the ingredients and formula of our products and recipes, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted Works”) for the operation of your Boston’s Franchise, but such copyrights remain our sole property.

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

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Boston’s Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of Boston’s Franchises and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and the Operations Manual. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Boston’s Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise



Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Boston's Franchises during the term of the Franchise Agreement.

You must notify us within three business days after you learn about another's use of language, a visual image or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets.

No patents or patents pending are material to us at this time.

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

We require that you either directly operate your Boston's Business or designate a manager ("Franchise Manager") who has been approved by us. The "Responsible Owner" is an individual who will be principally responsible for communicating with us about the Boston's Business. The Responsible Owner must have the authority and responsibility for the day-to-day operations of your Boston's Business. If you are an individual, you are the Responsible Owner. If you are a legal entity, you must appoint an individual that has at least a 25% equity interest in the legal entity to be the Responsible Owner. Your Responsible Owner and your Franchise Manager, if any, must successfully complete our training program (See Item 11). We do not require that the Franchise Manager have an ownership interest in the legal entity of the Franchise owner. If you replace your Responsible Owner or Franchise Manager, the new Responsible Owner or Franchise Manager must satisfactorily complete our training program at your own expense.

If you are a legal entity, each direct and indirect owner (i.e., each person holding ~~ana~~ direct and indirect ownership interest in you) must sign a Franchise ~~Owner~~Owners Agreement, guaranteeing the performance of the franchisee under the Franchise Agreement, the form of which is attached to the Franchise Agreement as Attachment ~~DC~~. We also require that the spouses of the Franchise owners sign and abide by the terms of the Franchise ~~Owner~~Owners Agreement. Any Franchise Manager and officer of your legal entity must sign the "System Protection Agreement," the form of which is attached to this Franchise Disclosure Document in Exhibit GH-2 (unless they already signed a Franchise ~~Owner~~Owners Agreement). All of your employees, independent contractors, agents or representatives that may have access to our confidential information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit GH-2.



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

You must sell or offer for sale only those products and services authorized by us, and which meet our standards and specifications. Authorized products may differ among our franchisees, and may vary depending on the operating season and geographic location of your Boston’s Business or other factors. You must follow our policies, procedures, methods and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services, at our discretion, with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. There are no limitations on our rights to make changes to the required products and services offered by you. You must discontinue selling and offering for sale any products and services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Boston’s Franchise, us or any of our affiliates without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. Otherwise, we place no restrictions upon your ability to serve customers, provided you do so from the location of your Boston’s Business in accordance with our policies.

**ITEM 17  
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	10 years.
b. Renewal or extension	Section 5.1	If you are in good standing and you meet other requirements, you may add 2 successor term of 5 years.



Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 5.2	The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires if you are in good standing and you meet other requirements. You must sign our then-current Franchise Agreement and ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term.
d. Termination by franchisee	Section 23	You may terminate the Franchise Agreement if you are in compliance with it, and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice, subject to applicable state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 24	We can terminate upon certain violations of the Franchise Agreement by you, which includes a cross-default provision related to any other agreements with us (except for a default or termination of any Area Development Agreement you have with us due solely to your failure to meet the Development Schedule).
g. “Cause” defined - curable defaults	Section 24.3	You have 30 days to cure defaults listed in Section 24.3.
h. “Cause” defined - non-curable defaults	Sections 24.1 and 24.2	Non-curable defaults: the defaults listed in Sections 24.1 and 24.2 of the Franchise Agreement.
i. Franchisee’s obligations on termination/non-renewal	Sections 5.3, 18.3, 25 and 26	Obligations include complete de-identification, payment of amounts due and return of all Confidential Information, Trade Secrets and records.
j. Assignment of contract by franchisor	Section 15	No restriction on our right to assign.
k. “Transfer” by franchisee – defined	Section 16.1	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Franchise or interest in the Franchise.
l. Franchisor approval of transfer by franchisee	Section 16.1	We have the right to approve all transfers.



Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 16.3	If you are in good standing and meet other requirements listed in Section 19.2, we may approve your transfer to a new owner.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.2	We have 30 days to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 27	We may, but are not required to, purchase your Franchise, inventory or equipment at fair market value if your Franchise is terminated for any reason.
p. Death or disability of franchisee	Section 16.5	The franchise agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the franchise	Section 18.2	Subject to applicable state law, you may not participate in a diverting business, have owning interest of more than 5%, inducing any customer to transfer their business to you or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Boston's Franchises.



Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 18.3	Owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within <del>ten miles of the Boston's Business or any Boston's Business</del> : <u>(i) a ten-mile radius from Franchisee's Boston's business (and including the premises of the approved location of Franchisee); and (ii) a ten-mile radius from all other Boston's businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a ten-mile radius from Franchisee's Boston's business (and including the premises of the approved location of Franchisee)</u> for two years following termination or expiration. If you or your Responsible Owner engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Responsible Owner shall be extended by the period of time during which you or the non-compliant Responsible Owner, as applicable, engaged in the prohibited activities. (Subject to applicable state law.)
s. Modification of agreement	Sections 9.1 and 31.9	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the online Operations Manual is subject to change at any time in our discretion.
t. Integration/merger clause	Section 31.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 28	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently) Dallas, Texas, subject to applicable state law.
v. Choice of forum	Section 28.4	All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Dallas, Texas), subject to applicable state law.
w. Choice of law	Section 31.1	Texas law applies, subject to applicable state law.



## THE AREA DEVELOPER RELATIONSHIP

**This table lists certain important provisions of the development agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

Provision	Section in Area Development Agreement	Summary
a. Length of the area development term	Section 2	Until the expiration or termination of the Area Development Agreement, or completion of the Development Schedule.
b. Renewal or extension	Not applicable	Not applicable.
c. Requirements for area developer to renew or extend	Not applicable	Not applicable.
d. Termination by area developer	Not applicable	You may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Section 8.1	We can terminate if you or any of your affiliates materially default under the Area Development Agreement, any individual Franchise Agreement or any other agreement with us, or if you fail to comply with the Development Schedule <del>on two or more occasions.</del>
g. "Cause" defined – curable defaults	Not applicable	Not applicable.
h. "Cause" defined – non-curable defaults	Section 8	If you default on the Area Development Agreement or any individual Franchise Agreement, or any other agreement with us, or if you fail to comply with the Development Schedule <del>on two or more occasions.</del>
i. Area Developer's obligations on termination/non-renewal	Section 8.3	Obligations include the payment of all amounts due. You remain bound by all Franchise Agreements.
j. Assignment of contract by franchisor	Section 9.1	No restrictions on our right to assign the Area Development Agreement.
k. "Transfer" by area developer – definition	Section 9.2	You may not assign the Area Development Agreement or any rights to the Development Territory, except upon death or permanent disability of you or your Responsible Owner.
l. Franchisor approval of transfer by area developer	Section 8.2	You must obtain our consent to any assignment made upon death or permanent disability of you or your Responsible Owner.



Provision	Section in Area Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Not applicable	Not applicable.
n. Franchisor's right of first refusal to acquire area developer's business	Not applicable	Not applicable.
o. Franchisor's option to purchase area developer's business	Not applicable	Not applicable.
p. Death or disability of area developer	Section 8.2	Upon death or permanent disability of you or your Responsible Owner, the Area Development Agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the franchise	Section 18	Subject to applicable state law, you may not participate in a diverting business, have owning interest of more than 5%, inducing any customer to transfer their business to you or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Boston's Franchises.
r. Non-competition covenants after the franchise is terminated or expires	Section 18	Owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within the Development Area or within radius of ten miles of the Development Area for two years following termination or expiration. If you or your Owner engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Owner shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the prohibited activities. (Subject to applicable state law.)
s. Modification of agreement	Section 11	No modifications of the Area Development Agreement unless agreed to in writing.
t. Integration/merger clause	Section 11	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and the Area Development Agreement may not be enforceable.



Provision	Section in Area Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently) Dallas, Texas, subject to applicable state law.
v. Choice of forum	Section <del>13</del> <u>17</u>	All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Dallas, Texas), subject to applicable state law.
w. Choice of law	Section <del>13</del> <u>15</u>	Texas law applies, subject to applicable state law.

## ITEM 18 PUBLIC FIGURES

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

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

         The FTC’s Franchise Rule permits a franchisor to ~~disclose~~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~~. Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that you are considering buying; or (2) a franchisor supplements the information provided in ~~this~~ Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

~~As of December 31, 2020, we had 21 franchised Restaurants (“Franchised Locations”) and one affiliate-owned Restaurant (“Affiliate Location”). As of December 31, 2021, we had 23 Franchised Locations and one Affiliate Location. As of December 31, 2022, we had 21 franchised Boston’s Businesses and one affiliate-owned Boston’s Business which was acquired from a franchisee in June 2019 (“Affiliate-Owned Restaurant”).~~ This Item 19 presents financial information for the Boston’s Businesses that have been open for more than 24 consecutive months as of December 31, 2023 (the “Reporting Period”). These include 19 franchised Boston’s Businesses (“Franchised Restaurants”) and the Affiliate-Owned Restaurant (“Reporting Group”). The information below does not include the six Boston’s Businesses that were not open and operating for the full Reporting Period.

We divided the Franchised Restaurants into three separate subgroups based on gross sales performance: (a) franchisees in the top third (6 out of 19); (b) franchisees in the middle third (7 out of 19); and (c) franchisees in the bottom third (6 out of 19). The information in the table below is based on information received from franchisee’s POS systems. We have not audited these amounts but have no reason to doubt the accuracy of the information. This table shows the average, median, and the minimum and maximum gross sales for each group for the 2023 calendar year. We have also included the gross sales for the Affiliate-Owned Restaurant for the 2023 calendar year. The Affiliate-Owned Restaurant pays a Royalty fee and Brand Fund Contributions and is not subject to the Local Advertising Requirement.



**TABLE 1**  
**Top 1/3 of Franchised Restaurants**

~~2022, we had 25 franchised Restaurants and one Affiliate Location. The tables below provide information for: (i) the 17 Franchised Locations and one Affiliate Location that were open at least 12 months as of December 31, 2020 (“2020 Reporting Group”), (ii) the 21 Franchised Locations and one Affiliate Location that were open at least 12 months as of December 31, 2021 (“2021 Reporting Group”), and (iii) the 23 Franchised Locations and one Affiliate that were open at least 12 months as of December 31, 2022 (“2022 Reporting Group”). We have excluded: (i) four Franchised Locations that were not in operation a full 12 months as of December 31, 2020 from the 2020 Reporting Group, (ii) two Franchised Locations that were not in operation a full 12 months as of December 31, 2021 from the 2021 Reporting Group, and (iii) two Franchised Locations that were not in operation a full 12 months as of December 31, 2022 from the 2022 Reporting Group.~~

~~The information in the tables below is a historical financial performance representation for the Reporting Group for the 2020, 2021, and 2022 calendar years (each, a “Reporting Period”). The financial information was prepared from internal accounting records and reports. The numbers have not been audited but we have no reason to doubt their accuracy.~~

~~The Affiliate Location began paying Royalty Fees in 2021. The Affiliate Location included in this financial performance representation offers similar services and face a similar degree of competition anticipated for the Boston’s Restaurants offered under this Franchise Disclosure Document.~~

Table 1

~~The information provided in Tables 1A and 1B below consist of the actual performance of the Franchised Locations and Affiliate Location in the Reporting Group during the 2020, 2021, and 2022 Reporting Periods. Beginning in March 2020, Boston’s Restaurants were impacted by government health and other mandates resulting from COVID-19, which included limits to hours of operation, limitations on numbers of guests and seating arrangement, and temporary store closures. We have compared results from 2020, 2021, and 2022 to show the impact these government restrictions had on operating results and to show improving results during 2021 and 2022.~~

**Table 1A**

<b>Gross Sales for the Franchised Locations in the 2020, 2021 and 2022 Reporting Group During the 2020, 2021 and 2022 Reporting Periods</b>						
<b>Average Highest Gross Sales</b>				<b>Median Gross Sales</b>		
2020	\$210,005	\$185,620	\$375,572	\$112,095	7	41.20%
2021	\$138,076	\$134,209	\$412,667	\$0	10	47.60%
2022	\$180,871	\$160,673	\$494,693	\$72,887	10	41.67%
<b>Average Gross Sales*</b>				<b>Median Gross Sales</b>		
2020	\$212,616	\$193,423	\$356,530	\$109,287	7	41.20%
2021	\$158,202	\$142,193	\$477,851	\$63,711	9	42.90%
2022	\$179,886	\$176,800	\$440,054	\$74,960	11	45.83%
<b>Median Gross Sales</b>				<b>High Gross Sales</b>		
2020	\$121,263	\$113,990	\$205,243	\$70,173	8	47.10%



2021	\$212,921	\$180,989	\$638,082	\$87,636	8	38.10%
2022	\$214,977	\$200,176	\$501,644	\$95,221	10	41.67%

<b>Average Lowest Gross Sales</b>				<b>Median Gross Sales</b>	\$2,887,667	
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2020	\$31,667	\$26,878	\$97,790	-	8	47.10%
2021	\$206,030	\$168,877	\$628,246	\$92,626	6	28.60%
2022	\$213,569	\$201,696	\$505,387	\$77,248	11	45.83%
<b>May</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	79,183	53,977	245,020	0	7	41.20%
2021	220,150	181,420	645,926	100,372	6	28.60%
2022	\$205,213	\$194,642	\$485,602	\$79,321	11	45.83%
<b>June</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$159,395	\$132,082	\$386,337	-	7	41.20%
2021	\$210,183	\$173,409	\$551,196	\$106,075	7	33.30%
2022	\$192,831	\$182,244	\$435,211	\$60,100	10	41.67%
<b>July</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$171,060	\$134,135	\$393,573	\$26,109	7	41.20%
2021	\$213,039	\$189,450	\$553,432	\$97,533	6	28.60%
2022	\$190,369	\$173,723	\$430,911	\$70,631	10	41.67%
<b>August</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$194,171	\$150,833	\$517,705	\$63,235	7	41.20%
2021	\$203,644	\$185,712	\$534,602	\$93,555	9	42.90%
2022	\$191,097	\$171,567	\$407,153	\$54,724	11	45.83%
<b>September</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$191,922	\$149,830	\$549,617	\$58,274	7	41.20%
2021	\$200,822	\$177,834	\$555,949	\$87,092	8	38.10%
2022	\$194,967	\$175,094	\$436,915	\$60,615	10	41.67%
<b>October</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$202,011	\$163,228	\$573,380	\$67,272	7	41.20%
2021	\$223,475	\$192,268	\$579,307	\$96,595	8	38.10%



2022	\$204,508	\$189,691	\$449,407	\$50,486	11	45.83%
<b>November</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low-Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$142,710	\$124,026	\$425,004	\$59,608	6	35.30%
2021	\$190,687	\$183,533	\$473,299	\$81,818	9	42.90%
2022	\$178,520	\$153,958	\$383,206	\$55,084	10	41.67%
<b>December</b>	<b>Average Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>	<b>Low-Gross Sales</b>	<b>Number that Met/Exceed Average</b>	<b>% that Met/Exceed Average</b>
2020	\$117,056	\$123,132	\$256,478	\$0	9	52.90%
2021	\$198,110	\$183,434	\$472,893	\$80,893	9	42.90%
2022	\$193,690	\$183,160	\$414,398	\$57,179	10	41.67%

**Table 1B**

\*3 of 6 Restaurants (50%) met or exceeded that figure

**TABLE 2**

**Middle 1/3 of Franchised Restaurants**

<b>Highest Gross Sales by Month for the Affiliate Location During the 2020, 2021, and 2022 Reporting Periods</b>	\$2,805,416		
-Average Gross Sales*	2020 \$2,336,501		
January Median Gross Sales	\$196,995,200,280		
February Lowest Gross Sales	\$195,2731,837,609		
March	\$107,934	\$236,731	\$210,635
April	\$0	\$215,347	\$219,102
May	\$30,500	\$189,244	\$206,364
June	\$105,221	\$187,736	\$193,959
July	\$103,055	\$179,608	\$186,696
August	\$153,394	\$155,302	\$178,004
September	\$180,257	\$169,256	\$168,235
October	\$183,366	\$201,571	\$189,068
November	\$143,822	\$179,629	\$157,270
December	\$153,722	\$180,297	\$181,896

\*3 of 7 Restaurants (42.9%) met or exceeded the average



**TABLE 3**  
**Bottom 1/3 of Franchised Restaurants**

Highest Gross Sales	\$1,611,951
Average Gross Sales*	\$1,271,937
Median Gross Sales	\$1,359,592
Lowest Gross Sales	\$820,371

\*4 of 6 Restaurants (66.7%) met or exceeded the average

**TABLE 4**  
**Affiliate-Owned Restaurant**

Gross Sales	\$1,702,645
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NOTES:

1. For purposes of this Item 19, gross sales means the total revenue derived from the sale of goods or services less tips, refunds and sales tax.

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Notes to Tables 1A and 1B:

1. ~~“Gross Sales” means the total of all revenues, income, surcharges and consideration from the sale of all Boston’s merchandise, products and services to customers whether or not sold or performed at or from the physical location of the Boston’s Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. If the Franchised Locations or Affiliate Location in the Reporting Group offer any services, all receipts from these services are included in Gross Sales. Franchised Locations and Affiliate Locations may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. Franchised Locations and Affiliate Locations may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips and allowances given in good faith to customers. All barter or exchange transactions in which a Franchised Location or Affiliate Location furnish products or services in exchange for products or services provided to the respective Franchised Location or Affiliate Location by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products or services so provided to the respective Franchised Location or Affiliate Location.~~

2. ~~Covid 19 Effects. The low data points for April, May, June and December of 2020 and January of 2021 were reported by Franchised Locations that closed due to Covid 19 restrictions. For our Affiliate Location and those Franchised Locations that continued to operate while Covid 19 restrictions were in place, changes were made to operations to comply with Covid 19 safety regulations and related restrictions, including reduced capacity, social distancing measures, and an emphasis on pick up orders.~~

1.2. ~~The financial performance representations in the tables above earnings claims figures in this~~



Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the ~~Gross Sales~~gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in ~~this Franchise~~the Disclosure Document, may be one source of this information.

The information contained in the statement above has not been audited and is provided as reference information only for your use with other information. Written substantiation for the financial performance representation will be made available to you on reasonable request.

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

Other than the preceding financial performance representation, we do not make any representation about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting ~~Jeffrey Melnick~~, Jason Snavely, Vice President of Finance, at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, 972-484-9022, or ~~melnicks~~snavelyj@bostons.com, the Federal Trade Commission and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary  
For Years ~~2020 – 2022~~2021 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2020</del> 2021	1921	2123	+2
	<del>2021</del> 2022	2123	2325	+2
	<del>2022</del> 2023	2325	2521	+2-4
Company-Owned*	<del>2020</del> 2021	1	1	0
	<del>2021</del> 2022	1	1	0
	<del>2022</del> 2023	1	1	0
Total Outlets	<del>2020</del> 2021	2022	2224	+2
	<del>2021</del> 2022	2224	2426	+2
	<del>2022</del> 2023	2426	2622	+2-4

\*Owned and operated by our affiliate BPR USA.



Table No. 2

Transfers from Franchisees to New Owners (other than the Franchisor)  
For Years 2020–2022/2021 - 2023

State	Year	Number of Transfers
Arizona	<del>2020</del> <u>2021</u>	<del>10</del>
	<del>2021</del>	0
	2022	0
	<u>2023</u>	<u>0</u>
Michigan	<del>2020</del> <u>2021</u>	<del>0</del> <u>1</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
<u>Washington</u>	2021	<del>10</del>
	2022	0
	<u>2023</u>	<u>2</u>
Totals	<del>2020</del> <u>2021</u>	1
	<del>2021</del>	<del>1</del>
	2022	0
	<u>2023</u>	<u>2</u>

Table No. 3

Status of Franchised Outlets  
For Years 2020–2022/2021 - 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	<del>2020</del> <u>2021</u>	2	<del>0</del> <u>1</u>	0	0	0	0	<del>2</del> <u>3</u>
	<del>2021</del> <u>2022</u>	<del>2</del> <u>3</u>	<del>1</del> <u>0</u>	0	0	0	0	3
	<del>2022</del> <u>2023</u>	3	0	<del>0</del> <u>2</u>	0	0	0	<del>3</del> <u>1</u>
Arkansas	<del>2020</del> <u>2021</u>	1	0	0	0	0	0	1
	<del>2021</del> <u>2022</u>	1	0	0	0	0	0	1
	<del>2022</del> <u>2023</u>	1	0	0	0	0	0	1
California	<del>2020</del> <u>2021</u>	<del>1</del> <u>2</u>	<del>1</del> <u>0</u>	0	0	0	0	2
	<del>2021</del>	<del>2</del>	0	0	0	0	0	<del>2</del>
	2022	2	0	0	0	0	0	2
Colorado	<del>2020</del> <u>2023</u>	<del>1</del> <u>2</u>	0	0	0	0	<del>0</del> <u>1</u>	1



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
<u>Colorado</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Georgia	<del>2020</del> <u>2021</u>	0	0	0	0	0	0	0
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Maryland	<del>2020</del> <u>2021</u>	1	0	0	0	0	0	1
	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Michigan	<del>2020</del> <u>2021</u>	3	0	0	0	0	0	3
	<u>2021</u> <del>2022</del>	3	0	0	0	0	0	3
	<del>2022</del> <u>2023</u>	3	0	0	0	0	0	3
Minnesota	<del>2020</del> <u>2021</u>	1	0	0	0	0	0	1
	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Montana	<del>2020</del> <u>2021</u>	1	0	0	0	0	0	1
	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
North Dakota	<del>2020</del> <u>2021</u>	1	0	0	0	0	0	1
	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	1	0	0	0	0	0	1
<u>Ohio</u>	<del>2020</del> <u>2023</u>	<u>2</u>	0	0	0	0	0	<u>2</u>
<u>Ohio</u>	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Dakota	<del>2020</del> <u>2021</u>	0	0	0	0	0	0	0
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	0	1	0	0	0	0	1
<u>Texas</u>	<del>2020</del> <u>2023</u>	<u>2</u>	<u>1</u>	0	0	0	0	<u>3</u>



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
<u>Texas</u>	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
<u>Utah</u>	<del>2020</del> 2023	<del>14</del>	0	0	<del>10</del>	0	0	<del>04</del>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Washington	<del>2020</del> 2021	<del>13</del>	<del>20</del>	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Wisconsin	<del>2020</del> 2021	<del>10</del>	0	0	0	0	<del>10</del>	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
<u>Totals</u>	<del>2020</del> 2023	<del>190</del>	<del>40</del>	0	<del>10</del>	0	<del>10</del>	<del>210</del>
<u>Totals</u>	2021	21	2	0	0	0	0	23
	2022	23	2	0	0	0	0	25
	2023	<u>25</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>21</u>

Table No. 4

Status of Company-Owned Outlets  
For Years 2020 – 2022  
2021 - 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	<del>2021</del> 2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals*	<del>2020</del> 2021	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

\*Owned and operated by our affiliate BPR USA.



Table No. 5

Projected Openings as of  
December 31, 2022-2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
<u>California</u>	<u>3</u>	<u>2</u>	<u>0</u>
Louisiana	1	1	0
Oklahoma	1	1	0
<u>South Dakota</u>	<u>1</u>	<u>1</u>	<u>0</u>
Wyoming	1	1	0
Total	<u>37</u>	<u>36</u>	0

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit DE. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Boston’s Franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period December 31, 2022-2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit DE. During the last three years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Boston’s Franchise System. If you buy a Boston’s Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

**ITEM 21  
FINANCIAL STATEMENTS**

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document:, and audited financial statements as of December 31, 2022-2023, December 31, 2021-2022 and December 31, 2020-2021. Our fiscal year end is December 31.

**ITEM 22  
CONTRACTS**

- |            |   |
|------------|---|
| Exhibit C  | Franchise Agreement                           |
| Exhibit D  | Area Development Agreement                    |
| Exhibit FG | State Addenda and Agreement Riders            |
| Exhibit H  | Contracts for use with the Boston’s Franchise |
| Exhibit I  | Franchise Disclosure Questionnaire            |



## ITEM 23 RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit JK are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.



**EXHIBIT A**

**STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**



**CALIFORNIA**

State Administrator and Agent for Service of Process:

Commissioner  
Department of Financial Protection and Innovation  
320 W. 4<sup>th</sup> Street, #750  
Los Angeles, CA 90013  
(213) 576-7500  
(866) 275-2677

**HAWAII**

Commissioner of Securities of the State of Hawaii  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

Agent for Service of Process:

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

**ILLINOIS**

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

**INDIANA**

Secretary of State  
Securities Division  
Room E-018  
302 W. Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

**MARYLAND**

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

**MARYLAND CONTINUED**

Agent for Service of Process:

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

**MICHIGAN**

Michigan Department of Attorney General  
Consumer Protection Division  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

**MINNESOTA**

Department of Commerce  
Commissioner of Commerce  
85 Seventh Place East, Suite 280  
St. Paul, MN 55101-3165  
(651) 539-1600

**NEW YORK**

Administrator:

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

Agent for Service of Process:

Secretary of State  
99 Washington Avenue  
Albany, NY 12231

**NORTH DAKOTA**

Administrator:

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

Agent for Service of Process:

Securities Commissioner  
600 East Boulevard Avenue  
State Capitol, Fourteenth Floor, Dept. 414  
Bismarck, ND 58505-0510

**RHODE ISLAND**

Department of Business Regulation  
1511 Pontiac Avenue, Bldg. 68-2  
Cranston, RI 02920  
(401) 462-9527

**SOUTH DAKOTA**

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

**VIRGINIA**

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**WASHINGTON**

State Administrator:

Washington Department of Financial Institutions  
Securities Division  
P.O. Box 903341200  
Olympia, WA 9850798504-1200  
(360) 902-8760

Agent for Service for Process:

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

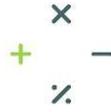
**WISCONSIN**

Department of Financial Institutions  
Division of Securities  
201 W. Washington Avenue  
Madison, WI 53703  
(608) 266-3364



**EXHIBIT B**  
**FINANCIAL STATEMENTS**





Report of Independent Auditors and Financial Statements

**Boston Pizza Restaurants LP**

December 31, 2023, 2022, and 2021



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**BOSTON PIZZA RESTAURANTS LP**

Report of Independent Auditors

And Financial Statements

December 31, 2022, 2021, and 2020



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## Report of Independent Auditors

The Board of Directors  
Boston Pizza Restaurants LP

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Boston Pizza Restaurants LP, which comprise the statements of financial position as of December 31, 2022, 2021, and 2020, and the related statements of operations, changes in partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Boston Pizza Restaurants LP as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boston Pizza Restaurants LP's ability to continue as a going concern within one year after the date that the financial statements are issued.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Boston Pizza Restaurants LP’s internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boston Pizza Restaurants LP’s ability to continue as a going concern for a reasonable period of time.

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

*Moss Adams LLP*

Los Angeles, California  
February 14, 2023



**BOSTON PIZZA RESTAURANTS LP**  
**Statements of Financial Position**  
**Years Ended December 31, 2022, 2021, and 2020**

<b>Assets</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 546,863	\$ 1,402,885	\$ 219,578
Accounts receivable, net of allowance	470,500	375,361	725,171
Current portion of unearned commissions	14,598	13,148	12,144
Related party receivable	—	349,879	499,442
Prepaid expenses and other current assets	109,610	102,426	40,935
Total current assets	1,141,571	2,243,699	1,497,270
Unearned commissions	452,331	441,223	422,897
Cash and cash equivalents – restricted	530,940	480,940	331,311
ROU asset-operating lease	142,062	—	—
Property and equipment, net	16,138	51,150	123,073
Total assets	<u>\$ 2,283,042</u>	<u>\$ 3,217,012</u>	<u>\$ 2,374,551</u>
<b>Liabilities and Partners' Capital/(Deficit)</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 552,156	\$ 746,611	\$ 427,152
Related party payable	152,623	—	—
PPP loan	—	—	618,160
Lease liability-operating leases	155,526	—	—
Current portion of deferred revenue	64,300	58,054	62,100
Current portion of deferred rent	—	33,802	29,183
Total current liabilities	924,605	838,467	1,136,595
Deferred revenue	1,353,018	1,383,300	1,252,548
Deferred rent	—	27,950	61,751
Total liabilities	2,277,623	2,249,717	2,450,894
Partners' capital/(deficit)	5,419	967,295	(76,343)
Total liabilities and partners' capital/(deficit)	<u>\$ 2,283,042</u>	<u>\$ 3,217,012</u>	<u>\$ 2,374,551</u>

See accompanying notes

**BOSTON PIZZA RESTAURANTS LP**  
 Statements of Operations  
 Years Ended December 31, 2022, 2021, and 2020

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Income:			
Royalty and franchise fee revenue	\$ 2,345,660	\$ 2,231,898	\$ 1,628,027
Other revenue	1,387,214	1,025,940	415,600
	3,732,874	3,257,838	2,043,627
Operating expenses:			
Administrative and development expenses	3,694,750	3,676,358	4,037,384
Income/(Loss) from operations	38,124	(418,520)	(1,993,757)
Other income	—	1,483,537	750,104
Net Income (Loss)	\$ 38,124	\$ 1,065,017	\$ (1,243,653)

See accompanying notes



**BOSTON PIZZA RESTAURANTS LP**

Statements of Changes in Partners' Capital/(Deficit)

Years Ended December 31, 2022, 2021, and 2020

Balance, December 31, 2020	\$ (76,343)
Capital distributions to partners	(21,379)
Net income	1,065,017
Balance, December 31, 2021	\$ 967,295
Capital distributions to partners	(1,000,000)
Net income	38,124
Balance, December 31, 2022	\$ 5,419

See accompanying notes

**BOSTON PIZZA RESTAURANTS LP**

Statements of Cash Flows

Years Ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:			
Net income (loss)	\$ 38,124	\$ 1,065,018	\$ (1,243,653)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	43,840	76,985	95,039
Bad debt expense	17,400	709	35,402
Recognition of deferred revenue related to terminated contracts and opened stores, net of expenses	50,000	(119,294)	(175,000)
Forgiveness of PPP loans	—	(1,483,583)	—
Operating non-cash lease expense	(14,486)	—	—
Net change in assets and liabilities:			
Accounts receivable	(112,539)	370,482	(520,228)
Unearned commissions	(12,558)	(19,330)	41,370
Related party receivable/payable	502,502	128,183	(464,294)
Prepaid expenses and other current assets	(7,185)	(61,490)	(4,032)
Accounts payable and accrued liabilities	(194,455)	319,456	(82,206)
Deferred revenue	(74,036)	246,000	153,836
Deferred rent	(33,802)	(29,182)	27,405
Net cash provided by (used in) operating activities	<u>202,805</u>	<u>493,954</u>	<u>(2,136,361)</u>
Cash flows from investing activities:			
Capital expenditures	<u>(8,827)</u>	<u>(5,063)</u>	<u>(3,500)</u>
Net cash used in investing activities	<u>(8,827)</u>	<u>(5,063)</u>	<u>(3,500)</u>
Cash flows from financing activities:			
Proceeds from PPP loans	—	865,423	618,160
Capital (distributions) contributions (to)/from partners	<u>(1,000,000)</u>	<u>(21,379)</u>	<u>1,499,990</u>
Net cash (used in) provided by financing activities	<u>(1,000,000)</u>	<u>844,044</u>	<u>2,118,150</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(806,022)	1,332,935	(21,711)
Cash, cash equivalents, and restricted cash, beginning of year	<u>1,883,825</u>	<u>550,890</u>	<u>572,600</u>
Cash, cash equivalents, and restricted cash, end of year	\$ <u>1,077,803</u>	\$ <u>1,883,825</u>	\$ <u>550,889</u>
Supplemental disclosure of cash-flow information			
Cash paid for operating leases included in the measurement of lease liabilities	\$ <u>204,413</u>	\$ <u>—</u>	\$ <u>—</u>

See accompanying notes

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

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**(1) Description of Business**

Boston Pizza Restaurants LP, a Delaware limited partnership, (the "Partnership" or "Company") operates as the franchisor of "Boston's The Gourmet Pizza ®" (the "Business"). The Partnership's business activities relate to the development of Boston's The Gourmet Pizza ® system and the offer, sale, and support of the franchised Business. There were 25, 23, and 21 franchise-owned restaurants at December 31, 2022, 2021, and 2020, respectively, and one restaurant location owned and operated by related parties in each of the three years ended December 31, 2022.

The Partnership's limited partner is Treliving Private Investments Ltd. ("TPI"), a Canadian entity, with a 99% ownership position. The remaining 1% is owned by the general partner, Boston Pizza Restaurants GP, Inc. ("BPRGP"), a U.S. entity.

During 2022 several of our restaurants operated with limited hours of operation to due staffing shortages. In addition, increased wage rates and food costs have negatively impacted profitability, which is expected to continue into 2023. The Company's operating results substantially depend upon the sales volumes, restaurant profitability and financial stability of the franchised restaurants.

**(2) Summary of Significant Accounting Policies**

***Basis of Presentation***

The Partnership's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Partnership believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as December 31, 2022, 2021, and 2020. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board (FASB) as the source of authoritative GAAP.

***Use of Estimates***

The preparation of the 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 reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to, useful lives of property and equipment and allowances for doubtful accounts.

***Cash, Cash Equivalents, and Restricted Cash***

For purposes of determining cash flows, the Partnership considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash represents cash related to development funds held in escrow, in accordance with applicable state franchising laws, as well as cash related to a requirement by its financial institution. There was approximately \$531,000, \$481,000, and \$331,000 held as restricted cash at December 31, 2022, 2021, and 2020, respectively. Classification of restricted balances in the accompanying balance sheets is based on the expected date the restrictions will be released. Cash and cash equivalents, and restricted cash are held primarily in two financial institutions. If cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

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**Accounts Receivable**

Trade receivables are recorded at the stated amount less a reserve for uncollectible accounts. The Partnership does not generally charge interest on trade receivables. At December 31, 2022 and 2021, the Partnership maintained no allowance for uncollectible accounts. At December 31, 2020, the allowance for uncollectible accounts was approximately \$28,000. The reserve is calculated based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable and historical experience. The receivable is written-off against the allowance when, in the judgment of management, it is not likely that substantive realization will come from ongoing collection efforts, or if collection efforts are terminated. During 2022, 2021, and 2020, the Company recorded approximately \$17,000, \$1,000, and \$35,000 as bad debt expense, respectively.

**Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Long-lived assets held and used by the Partnership are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. Impairments, if any, are measured based on the fair value of the related assets. Based on the Partnership's analysis, there has not been any impairment of long-lived assets during the years ended December 31, 2022, 2021, and 2020.

The estimated useful lives of the Partnership's property and equipment are as follows:

	<u>Estimated life</u>
Computer hardware	3 years
Computer software	3 years
Office equipment	3 years

**Leases**

On January 1, 2022, the Company adopted FASB ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires lessees to recognize on the balance sheet the assets and liabilities arising from operating leases. A lessee should recognize a liability to make lease payments and a right-of-use (ROU) asset representing its right to use the underlying asset for the lease term. A lessee should include payments to be made in an optional period only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. For operating leases, the lease cost should be allocated over the lease term on a generally straight-line basis.

The Company adopted the standard using the modified retrospective transition approach. Therefore, the financial statements for 2022 are presented under the new standard, while the comparative periods presented are not adjusted and continue to be reported in accordance with the Company's historical lease accounting policy. The new standard provides for a number of practical expedients in transition. The Company elected the package of practical expedients, which permits the Company to not reassess under the new standard prior conclusions about lease identification, lease classification, and initial direct costs. The Company also elected the practical expedient to not separate lease and non-lease components on real estate leases, where the Company is the lessee, in addition to electing the short-term lease recognition exemption practical expedient. On January 1, 2022, the Company recorded the initial ROU asset and lease liability for approximately \$330,000 and (\$358,000), respectively. The difference between the ROU and lease liabilities represents deferred rent credits previously recorded. Refer to Note 5 for further discussion.



**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

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**Revenue Recognition**

The Partnership accounts for revenue under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), which requires the following for franchise fees and royalty income:

Under ASC 606, the Partnership is required to defer initial and renewal fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Partnership's on-going performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial term of the related franchise agreement.

In the event that the required number of restaurants are not opened during the specified time period, the area developer has been provided notice of default, and it is unlikely that future development will occur, the development agreement may be terminated or modified, and, if terminated, the deposit is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Partnership. Approximately \$50,000, \$25,000, and \$125,000 were recognized in 2022, 2021, and 2020, respectively, as a result of terminated development agreements.

Franchising costs relating to franchise sales, for which revenue has not been recorded, are deferred and included as unearned commissions, until the related revenue is earned, unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in administrative and development costs. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling and administrative costs, are expensed as incurred.

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Royalty income is based on a fixed percentage of sales of the franchised locations. of the Company records sales-based royalty within the provisions of ASC 606, as recorded as revenue as the fees are earned and included in Franchise revenue in the Statements of Operations.

Other revenue primarily consists of rebates received from equipment suppliers that are generally driven by volume rebates on purchases by franchisees. Rebates earned from suppliers were approximately \$1,150,000, \$840,000, and \$371,000 during 2022, 2021, and 2020, respectively. The increases are a result of renegotiated rebate contracts and higher sales. Supplier rebates are received pursuant to binding agreements and are based on a specified cumulative level of purchases.

**Other Income**

The Partnership received approximately \$750,000 during 2020 as a result of litigation settlements. No amounts were received in 2022 and 2021 for litigation settlements. Additionally, the Partnership received notice of forgiveness of two Paycheck Protection Program (PPP) loans during the year ended December 31, 2021, which resulted in a gain on extinguishment of debt of \$1,484,000 recognized during 2021 within other income.

**Advertising Costs**

Advertising costs are expensed as incurred and were approximately \$10,500 and \$15,000 in 2021 and 2020, respectively. There were no advertising costs for the year ended December 31, 2022.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

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***Fair Value of Financial Instruments***

At December 31, 2022, 2021, and 2020, the Partnership's financial instruments included cash and cash equivalents, restricted cash, trade receivables, and accounts payable. Due to the short-term maturities of these items, the carrying amounts approximate fair value.

***Income Taxes***

In accordance with federal income tax regulations, income taxes are the responsibility of the partners and are not levied on the Partnership. Accordingly, income taxes have not been reflected in the accompanying financial statements.

In accordance with accounting standards on uncertain tax positions, the Partnership recognizes the tax benefit from an uncertain tax position only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Management has identified no uncertain tax positions; therefore, no accruals have been made in the accompanying financial statements.

***Recently Issued Accounting Pronouncements***

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance* (Topic 832), which requires business entities to disclose information about certain government assistance they receive. Such disclosure requirements include the nature of the transactions and the related accounting policy used, the line items on the balance sheet and income statement that are affected and the amounts applicable to each financial statement line item and significant terms and conditions of the transactions. ASU 2021-10 is effective for annual periods beginning after December 15, 2021. The Company adopted ASU 2021-10 for the year ended December 31, 2022. The adoption of the new guidance did not have a material impact on the Company's financial statements and related disclosures.

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***Subsequent Events***

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements were available to be issued.

The Company has evaluated subsequent events through February 14, 2023, which is the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

**(3) Property and Equipment, Net**

Property and equipment, net, at December 31, 2022, 2021, and 2020 consists of the following:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fixed assets, at cost less depreciation			
Computer hardware	\$ 131,272	\$ 125,562	\$ 125,562
Computer software	186,643	186,643	181,581
Leasehold Improvements	3,117	—	—
Office equipment	<u>131,768</u>	<u>131,767</u>	<u>131,767</u>
Total fixed assets	<u>452,800</u>	<u>443,972</u>	<u>438,910</u>
Less accumulated depreciation	<u>(436,662)</u>	<u>(392,822)</u>	<u>(315,837)</u>
Net fixed assets	<u>\$ 16,138</u>	<u>\$ 51,150</u>	<u>\$ 123,073</u>

Depreciation expense amounted to approximately \$44,000, \$77,000, and \$95,000, for the years ended December 31, 2022, 2021, and 2020, respectively.

**(4) Related Parties**

BPRGP, the Partnership's general partner, is a wholly owned subsidiary of Boston Pizza Restaurants (USA), Inc. ("BPRUSA"). Other entities owned by BPRUSA are considered related parties of the Partnership, and the transactions with related parties are described below. Approximately (\$153,000), \$350,000, and \$499,000 were due (to)/from related parties as of December 31, 2022, 2021, and 2020, respectively.

*Management Services and Marketing Arrangements*

The Partnership has a management services agreement with a related party franchisor of the Boston's the Gourmet Pizza ® brand outside of the U.S. Under the management services agreement, the Partnership earned service fees of approximately \$117,000, \$78,000, and \$45,000 for the years ended December 31, 2022, 2021, and 2020, respectively. All management service fees are recorded within other revenue on the accompanying statements of operations.

The Partnership has a management services agreement with a subsidiary of BPRUSA that performs certain marketing activities that promote the Boston's the Gourmet Pizza ® brand. Under the management services agreement, the Partnership earned service fees of approximately \$120,000, \$108,000, and \$0 for the years ended December 31, 2022, 2021, and 2020, respectively. All management service fees are recorded within other revenue on the accompanying statements of operations.

*Franchise Fees*

Included in franchise fees are amounts received from restaurant locations owned by related parties totaling approximately \$106,000, \$81,000, and \$27,000 for December 31, 2022, 2021, and 2020, respectively.

**BOSTON PIZZA RESTAURANTS LP**  
Notes to Financial Statements

December 31, 2022, 2021, and 2020

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**(5) Commitments and Contingencies**

**Leases** – The Company maintains an office lease for its support functions under a noncancelable operating lease agreement expiring September 2023. Operating lease expense amounted to approximately \$190,000 during the year ended December 31, 2022, and is included within administrative and development expenses. The other components of the lease costs were de minimis for the year ended December 31, 2022. Rent expense was approximately \$171,000 for each of the years ended December 31, 2021 and 2020, and included within administrative and development expenses. As of December 31, 2022, the weighted average remaining lease term is nine months and the weighted average discount rate is 0.59%. Future minimum payments in 2023 under the lease agreement are approximately \$156,000, which includes approximately \$400 of interest.

**Legal** – The Partnership is subject to legal action and claims arising in the ordinary course of business. Although the outcome of any legal matter cannot be predicted with certainty, the Partnership does not believe that any legal proceedings, or matters in which the Partnership is currently involved, will have a material adverse effect on its business, financial position, results of operations or cash flows.

**(6) Paycheck Protection Program Loan**

On May 4, 2020, the Partnership applied for and received a Round 1 PPP loan of \$618,000 from a financial institution pursuant to the PPP administered by the Small Business Administration (SBA) under the CARES Act. The proceeds from the PPP loan may only be used to retain workers and maintain payroll or make mortgage interest, lease, and utility payments. All or a portion of the loan may be forgiven if the proceeds are used in accordance with the terms of the program within the measurement period elected. On February 6, 2021, the Partnership applied for and received a Round 2 PPP loan of \$865,000, which carried the same requirements and financial responsibilities as the Round 1 loan. On June 16, 2021, the Round 1 PPP loan was 100% forgiven by the SBA, and on August 4, 2021, the Round 2 loan was 100% forgiven by the SBA. The forgiveness of the loans was recognized in accordance with ASC 740, *Debt*, as a gain on extinguishment of debt and recorded to Other Income in 2021.

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## Report of Independent Auditors

The Board of Directors  
Boston Pizza Restaurants, LP

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Boston Pizza Restaurants, LP, which comprise the statements of financial position as of December 31, 2023, 2022, and 2021, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Boston Pizza Restaurants, LP as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boston Pizza Restaurants, LP's ability to continue as a going concern within one year after the date that the financial statements are issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

*Moss Adams LLP*

Irvine, California  
March 11, 2024

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## **Financial Statements**

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**Boston Pizza Restaurants LP**  
**Statements of Financial Position**  
**December 31, 2023, 2022, and 2021**

	2023	2022	2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 63,925	\$ 546,863	\$ 1,402,885
Accounts receivable, net of allowance for credit losses of \$4,000, \$0, and \$0, respectively	375,533	470,500	375,361
Current portion of contract assets	10,598	14,598	13,148
Related party receivable	743,060	-	349,879
Prepaid expenses and other current assets	59,281	109,610	102,426
Total current assets	1,252,397	1,141,571	2,243,699
CONTRACT ASSETS, net of current portion	430,145	452,331	441,223
CASH AND CASH EQUIVALENTS - RESTRICTED	530,948	530,940	480,940
RIGHT-OF-USE ASSET - OPERATING LEASE	345,302	142,062	-
PROPERTY AND EQUIPMENT, net	35,361	16,138	51,150
Total assets	<u>\$ 2,594,153</u>	<u>\$ 2,283,042</u>	<u>\$ 3,217,012</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 400,954	\$ 552,156	\$ 746,611
Related party payable	-	152,623	-
Lease liability-operating leases	364,164	155,526	-
Current portion of contract liability	49,842	64,300	58,054
Total current liabilities	814,960	924,605	804,665
Contract liability	1,273,175	1,353,018	1,383,300
Deferred rent	-	-	61,752
Total liabilities	2,088,135	2,277,623	2,249,717
PARTNERS' CAPITAL	506,018	5,419	967,295
Total liabilities and partners' capital	<u>\$ 2,594,153</u>	<u>\$ 2,283,042</u>	<u>\$ 3,217,012</u>

See accompanying notes.



**Boston Pizza Restaurants LP**  
**Statements of Operations**  
**Years Ended December 31, 2023, 2022, and 2021**

	2023	2022	2021
<b>INCOME</b>			
Franchise fees	\$ 274,302	\$ 113,036	\$ 119,294
Franchise royalties, net	2,314,749	2,232,624	2,112,604
Other revenue	1,377,486	1,387,214	1,025,940
Total income	3,966,537	3,732,874	3,257,838
<b>OPERATING EXPENSES</b>			
Administrative and development expenses	3,465,938	3,694,750	3,676,358
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>500,599</b>	<b>38,124</b>	<b>(418,520)</b>
<b>OTHER INCOME</b>	<b>-</b>	<b>-</b>	<b>1,483,537</b>
<b>NET INCOME</b>	<b>\$ 500,599</b>	<b>\$ 38,124</b>	<b>\$ 1,065,017</b>

See accompanying notes.



**Boston Pizza Restaurants LP**  
**Statements of Changes in Partners' Capital**  
**Years Ended December 31, 2023, 2022, and 2021**

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BALANCE, December 31, 2021	\$ 967,295
Capital distributions to partners	(1,000,000)
Net income	<u>38,124</u>
BALANCE, December 31, 2022	5,419
Net income	<u>500,599</u>
BALANCE, December 31, 2023	<u><u>\$ 506,018</u></u>

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See accompanying notes.

**Boston Pizza Restaurants LP**  
**Statements of Cash Flow**  
**Years Ended December 31, 2023, 2022, and 2021**

	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 500,599	\$ 38,124	\$ 1,065,018
Adjustments to reconcile net income (loss) to net cash from operating activities			
Depreciation	14,654	43,840	76,985
Bad debt expense	7,705	17,400	709
Recognition of deferred revenue related to terminated contracts and opened stores, net of expenses	(184,791)	50,000	(119,294)
Forgiveness of PPP loans	-	-	(1,483,583)
Operating noncash lease expense	5,398	(14,486)	-
Net change in assets and liabilities			
Accounts receivable	87,262	(112,539)	370,482
Contract assets	26,186	(12,558)	(19,330)
Related party receivable/payable	(895,683)	502,502	128,183
Prepaid expenses and other current assets	50,329	(7,185)	(61,490)
Accounts payable and accrued liabilities	(151,202)	(194,455)	319,456
Deferred revenue	90,490	(74,036)	246,000
Deferred rent	-	(33,802)	(29,182)
Net cash (used in) provided by operating activities	<u>(449,053)</u>	<u>202,805</u>	<u>493,954</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures	<u>(33,877)</u>	<u>(8,827)</u>	<u>(5,063)</u>
Net cash used in investing activities	<u>(33,877)</u>	<u>(8,827)</u>	<u>(5,063)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from PPP loans	-	-	865,423
Capital distributions to partners	-	(1,000,000)	(21,379)
Net cash (used in) provided by financing activities	<u>-</u>	<u>(1,000,000)</u>	<u>844,044</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(482,930)	(806,022)	1,332,935
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>1,077,803</u>	<u>1,883,825</u>	<u>550,890</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 594,873</u>	<u>\$ 1,077,803</u>	<u>\$ 1,883,825</u>

See accompanying notes.



## Boston Pizza Restaurants LP Notes to Financial Statements

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### **Note 1 – Description of Business**

Boston Pizza Restaurants, LP, a Delaware limited partnership (the Partnership or Company), operates as the franchisor of Boston's The Gourmet Pizza ® (the Business). The Partnership's business activities relate to the development of Boston's The Gourmet Pizza ® system and the offer, sale, and support of the franchised Business. There were 22, 25, and 23 franchise-owned restaurants at December 31, 2023, 2022, and 2021, respectively, and one restaurant location owned and operated by related parties in each of the three years ended.

The Partnership's limited partner is Treiving Private Investments Ltd. (TPI), a Canadian entity with a 99% ownership position. The remaining 1% is owned by the general partner, Boston Pizza Restaurants GP, Inc. (BPRGP), a U.S. entity.

### **Note 2 – Summary of Significant Accounting Policies**

**Basis of presentation** – The Partnership's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Partnership believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as December 31, 2023, 2022, and 2021. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board (FASB) as the source of authoritative GAAP.

**Reclassification** – Certain financial statement reclassifications have been made to prior-year amounts to conform to current-year presentation. The reclassifications had no impact on the statements of operations previously reported.

**Use of estimates** – The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to, useful lives of property and equipment and allowances for doubtful accounts.

**Cash and cash equivalents** - the Partnership considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

**Restricted cash** – Restricted cash represents cash related to development funds held in escrow, in accordance with applicable state franchising laws, as well cash related to a requirement by the Partnership's financial institution. There was approximately \$531,000, \$531,000, and \$481,000 held as restricted cash at December 31, 2023, 2022, and 2021, respectively. Classification of restricted balances in the accompanying balance sheets is based on the expected date the restrictions will be released.

## Boston Pizza Restaurants LP Notes to Financial Statements

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**Concentration of credit risk** – Financial instruments, which potentially subject the Partnership to concentrations of credit risk, consist primarily of cash. The Partnership currently maintains substantially all of its day-to-day operating cash balances with a major financial institution. At various times during the years ended December 31, 2023, 2022, and 2021, cash balances were in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. While the Partnership monitors the cash balances in its operating accounts on a daily basis and adjusts the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. In order to mitigate this risk, the Partnership maintains cash balances with high-credit-quality financial institutions.

**Accounts receivable** – Accounts receivable consist of amounts due to the Partnership for royalties and vendor rebates. Amounts are stated at the amounts expected to be collected from balances outstanding. The Partnership estimates the allowance for credit losses when lifetime credit losses are expected. The Partnership assesses collectability based on consideration of the age, nature of the past due accounts, historical losses, existing economic conditions, and specific analysis of each account. At December 31, 2023, the Partnership recorded an allowance for credit losses of approximately \$4,000. At December 31, 2023, 2022, and 2021, the Partnership had no current expected credit losses. The opening balance of accounts receivable as of January 1, 2021, was approximately \$725,000.

**Property and equipment** – Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Long-lived assets held and used by the Partnership are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. Impairments, if any, are measured based on the fair value of the related assets. Based on the Partnership's analysis, there has not been any impairment of long-lived assets during the years ended December 31, 2023, 2022, and 2021.

The estimated useful lives of the Partnership's property and equipment are as follows:

Computer hardware and software	3 years
Office equipment	3 years

**Leases** – On January 1, 2022, the Partnership adopted FASB ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires lessees to recognize on the balance sheet the assets and liabilities arising from operating leases. A lessee should recognize a liability to make lease payments and a right-of-use (ROU) asset representing its right to use the underlying asset for the lease term. A lessee should include payments to be made in an optional period only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. For operating leases, the lease cost should be allocated over the lease term on a generally straight-line basis.

**Boston Pizza Restaurants LP**  
**Notes to Financial Statements**

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The Partnership adopted the standard using the modified retrospective transition approach. Therefore, the financial statements for 2023 and 2022 are presented under the new standard, while 2021 presented is not adjusted and continue to be reported in accordance with the Partnership's historical lease accounting policy. The new standard provides for a number of practical expedients in transition. The Partnership elected the package of practical expedients, which permits the Partnership to not reassess under the new standard prior conclusions about lease identification, lease classification, and initial direct costs. The Partnership also elected the practical expedient to not separate lease and nonlease components on real estate leases where the Partnership is the lessee, in addition to electing the short-term lease recognition exemption practical expedient. On January 1, 2022, the Partnership recorded the initial ROU asset and lease liability for approximately \$330,000 and (\$358,000), respectively. The difference between the ROU and lease liabilities represents deferred rent credits previously recorded. Refer to Note 5 for further discussion.

**Contract liabilities and assets** – The contract liability or deferred revenue is a liability related to a revenue-producing activity for which revenue has not yet been recognized. The Partnership records a contract liability when it receives consideration from a franchisee or customer before achieving certain criteria that must be met for revenue to be recognized in conformity with U.S. GAAP. Contract assets are unearned commissions that have been paid to customers but not yet amortized.

The following table reflects the change in contract assets between January 1, 2021, and December 31, 2023:

BALANCE, January 1, 2021	\$ 435,041
Expenses recognized that were included in the contract assets at beginning of the year	(12,144)
Increase, excluding amounts recognized as expenses during the period	<u>31,475</u>
BALANCE, December 31, 2021	454,372
Expenses recognized that were included in the contract assets at beginning of the year	(13,148)
Increase, excluding amounts recognized as expenses during the period	<u>25,705</u>
BALANCE, December 31, 2022	466,929
Expenses recognized that were included in the contract assets at beginning of the year	(26,186)
Increase, excluding amounts recognized as expenses during the period	<u>-</u>
BALANCE, December 31, 2023	<u>\$ 440,743</u>

**Boston Pizza Restaurants LP**  
**Notes to Financial Statements**

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The following table reflects the change in contract liability between January 1, 2021, and December 31 2023:

BALANCE, January 1, 2021	\$ 1,314,648
Revenue recognized that was included in contract liability at beginning of the year	(62,100)
Increase, excluding amounts recognized as revenue during the period	<u>188,806</u>
 BALANCE, December 31, 2021	 1,441,354
Revenue recognized that was included in contract liability at beginning of the year	(58,054)
Increase, excluding amounts recognized as revenue during the period	<u>34,018</u>
 BALANCE, December 31, 2022	 1,417,318
Revenue recognized that was included in contract liability at beginning of the year	(94,301)
Increase, excluding amounts recognized as revenue during the period	<u>-</u>
 BALANCE, December 31, 2023	 <u>\$ 1,323,017</u>

The following table illustrates estimated expenses expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023:

Contract assets to be recognized in	
2024	\$ 10,599
2025	10,599
2026	10,599
2027	9,089
2028	7,110
Thereafter	<u>392,747</u>
 Total	 <u>\$ 440,743</u>

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023:

Contract liability to be recognized in	
2024	\$ 49,842
2025	47,550
2026	47,467
2027	40,821
2028	34,800
Thereafter	<u>1,102,537</u>
 Total	 <u>\$ 1,323,017</u>

## Boston Pizza Restaurants LP Notes to Financial Statements

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**Revenue recognition** – The Partnership accounts for revenue under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), which requires the following for franchise fees and royalty income:

Under ASC 606, the Partnership is required to defer initial and renewal fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Partnership's ongoing performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial term of the related franchise agreement.

In the event that the required number of restaurants are not opened during the specified time period, the area developer has been provided notice of default, and it is unlikely that future development will occur, the development agreement may be terminated or modified, and, if terminated, the deposit is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Partnership. Approximately \$100,000, \$50,000, and \$25,000 were recognized in 2023, 2022, and 2021, respectively, as a result of terminated development agreements.

Franchising costs relating to franchise sales for which revenue has not been recorded are deferred and included as unearned commissions until the related revenue is earned, unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in administrative and development costs. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling, and administrative costs, are expensed as incurred.

Royalty income is based on a fixed percentage of sales of the franchised locations. The Partnership records sales-based royalty within the provisions of ASC 606, as recorded as revenue as the fees are earned and included in franchise revenue in the statements of operations.

Other revenue primarily consists of rebates received from equipment suppliers that are generally driven by volume rebates on purchases by franchisees. Rebates earned from suppliers were approximately \$1,109,000, \$1,150,000, and \$840,000 in 2023, 2022, and 2021 respectively. The increases are a result of renegotiated rebate contracts and higher sales. Supplier rebates are received pursuant to binding agreements and are based on a specified cumulative level of purchases.

**Other income** – The Partnership received notice of forgiveness of two Paycheck Protection Program (PPP) loans during the year ended December 31, 2021, which resulted in a gain on extinguishment of debt of \$1,484,000 recognized during 2021 within other income.

**Fair value of financial instruments** – At December 31, 2023, 2022, and 2021, the Partnership's financial instruments included cash and cash equivalents, restricted cash, trade receivables, and accounts payable. Due to the short-term maturities of these items, the carrying amounts approximate fair value.

**Administrative and development expenses** – The Partnership's administrative and development expenses consist of costs associated with administrative support functions. These costs primarily consist of payroll, rent, depreciation, insurance, and consulting expenses.

## Boston Pizza Restaurants LP

### Notes to Financial Statements

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**Income taxes** – In accordance with federal income tax regulations, income taxes are the responsibility of the partners and are not levied on the Partnership. Accordingly, income taxes have not been reflected in the accompanying financial statements.

In accordance with accounting standards on uncertain tax positions, the Partnership recognizes the tax benefit from an uncertain tax position only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Management has identified no uncertain tax positions; therefore, no accruals have been made in the accompanying financial statements.

**Recently adopted accounting pronouncements** – As of January 1, 2023, the Partnership adopted ASU 2016-13, a new accounting standard under U.S. GAAP that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) over the lifetime of the underlying accounts and notes receivable. The CECL methodology is applicable to financial assets that the Partnership measures at amortized cost, including trade accounts receivable, contract assets, and notes and loans receivable due from officers, owners, and employees. The adoption of ASU 2016-13 did not have a material impact on the Partnership's financial statements.

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Partnership recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Partnership's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements were available to be issued.

The Partnership has evaluated subsequent events through March 11, 2024, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Boston Pizza Restaurants LP**  
**Notes to Financial Statements**

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**Note 3 – Property and Equipment, Net**

Property and equipment, net, at December 31, 2023, 2022, and 2021, consist of the following:

	2023	2022	2021
Fixed assets, at cost less depreciation			
Computer software	\$ 213,774	\$ 186,643	\$ 186,643
Computer hardware	131,272	131,272	125,562
Office equipment	141,632	134,885	131,767
	<u>486,678</u>	<u>452,800</u>	<u>443,972</u>
Total fixed assets			
Less accumulated depreciation	(451,317)	(436,662)	(392,822)
	<u>\$ 35,361</u>	<u>\$ 16,138</u>	<u>\$ 51,150</u>
Net fixed assets			

Depreciation expense amounted to approximately \$15,000, \$44,000, and \$77,000 for the years ended December 31, 2023, 2022, and 2021, respectively.

**Note 4 – Related-Party Transactions**

BPRGP, the Partnership's general partner, is a wholly owned subsidiary of Boston Pizza Restaurants (USA), Inc. (BPRUSA). Other entities owned by BPRUSA are considered related parties of the Partnership, and the transactions with related parties are described below. Approximately \$743,000, (\$153,000), and \$350,000 was due from/(to) related parties as of December 31, 2023, 2022, and 2021, respectively.

The Partnership occasionally pays for expenses related to operations of one restaurant location owned by a related party. For the years ended December 31, 2023 and 2022, expenses paid by the Partnership were approximately \$708,000 and \$413,000, respectively. For the year ended December 31, 2021, no amounts were paid for expenses by the Partnership. As of December 31, 2023 and 2022, approximately \$708,000 and \$0 of these expenses were sitting in related party receivable statements of financial position.

*Management services and marketing arrangements* – The Partnership has a management services agreement with a related-party franchisor of the Boston's The Gourmet Pizza ® brand outside of the U.S. Under the management services agreement, the Partnership earned service fees of approximately \$245,000, \$117,000, and \$78,000 for the years ended December 31, 2023, 2022, and 2021, respectively. All management service fees are recorded within other revenue on the accompanying statements of operations. As of December 31, 2023, approximately \$28,000 of this revenue was sitting in related party receivable on the statements of financial position.

The Partnership has a management services agreement with a subsidiary of BPRUSA that performs certain marketing activities that promote the Boston's The Gourmet Pizza ® brand. Under the management services agreement, the Partnership earned service fees of approximately \$24,000, \$120,000, and \$108,000 for the years ended December 31, 2023, 2022, and 2021, respectively. All management service fees are recorded within other revenue on the accompanying statements of operations.

**Boston Pizza Restaurants LP**  
**Notes to Financial Statements**

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*Royalty fees* – Included in franchise royalty revenue are amounts received from restaurant locations owned by related parties totaling approximately \$81,000, \$106,000, and \$81,000 for the years ended December 31, 2023, 2022, and 2021, respectively.

**Note 5 – Leases**

In October 2023, the Partnership amended its lease agreement that maintains an office lease for its support functions under a noncancelable operating lease agreement expiring March 2029. For the years ended December 31, 2023 and 2022, operating lease expense amounted to approximately \$161,000 and \$190,000, respectively, and is included within administrative and development expenses. The other components of the lease costs were de minimis for the years ended December 31, 2023 and 2022. Rent expense was approximately \$171,000 for the year ended December 31, 2021, and is included within administrative and development expenses.

The following is supplemental balance sheet information related to operating leases:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 155,905	\$ 204,413
Weighted-average remaining lease term in years for operating leases	5.20	0.75
Weighted-average discount rate for operating leases	4.7%	0.60%

As of December 31, 2023, the aggregate future minimum lease payments were as follows:

2024	\$	63,504
2025		78,594
2026		81,109
2027		83,624
2028 and thereafter		108,145
Total lease payments		414,976
Less imputed interest		(50,812)
Total lease liabilities as of December 31, 2023	\$	364,164

**Note 6 – Commitments and Contingencies**

The Partnership is subject to legal action and claims arising in the ordinary course of business. Although the outcome of any legal matter cannot be predicted with certainty, the Partnership does not believe that any legal proceedings, or matters in which the Partnership is currently involved, will have a material adverse effect on its business, financial position, results of operations, or cash flows.

**Boston Pizza Restaurants LP**  
**Notes to Financial Statements**

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**Note 7 – Paycheck Protection Program Loan**

On May 4, 2020, the Partnership applied for and received a Round 1 PPP loan of \$618,000 from a financial institution pursuant to the PPP administered by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The proceeds from the PPP loan may only be used to retain workers and maintain payroll or make mortgage interest, lease, and utility payments. All or a portion of the loan may be forgiven if the proceeds are used in accordance with the terms of the program within the measurement period elected. On February 6, 2021, the Partnership applied for and received a Round 2 PPP loan of \$865,000, which carried the same requirements and financial responsibilities as the Round 1 loan. On June 16, 2021, the Round 1 PPP loan was 100% forgiven by the SBA, and on August 4, 2021, the Round 2 loan was 100% forgiven by the SBA. The forgiveness of the loans was recognized in accordance with ASC 740, *Debt*, as a gain on extinguishment of debt and recorded to other income in 2021.



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



Location: \_\_\_\_\_  
Location No. \_\_\_\_\_  
Entity Name: \_\_\_\_\_  
Effective Date: \_\_\_\_\_



**BOSTON PIZZA RESTAURANTS, LP**

**FRANCHISE AGREEMENT**



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ATTACHMENT A – FRANCHISE DATA SHEET

ATTACHMENT B – STATEMENT OF OWNERSHIP

ATTACHMENT C – FRANCHISE ~~OWNER~~OWNERS AGREEMENT



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

THIS FRANCHISE AGREEMENT (“Franchise Agreement”) is made, entered into and effective as of the “Effective Date” set forth in Attachment A to this Franchise Agreement, by and between Boston Pizza Restaurants, LP, a Delaware limited partnership (“we,” “us,” or “our”), and the franchisee set forth in Attachment A to this Franchise Agreement (“you” or “your”). If more than one person or entity is listed as the franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

**1. INTRODUCTION**

This Franchise Agreement includes several attachments, each of which are legally binding and are a part of the complete Franchise Agreement. It is your responsibility to read through the entire Franchise Agreement. This Franchise Agreement creates legal obligations you must follow. We recommend that you consult with a legal professional to ensure that you understand these obligations. If you have questions, or if you do not understand a certain provision or section, please review it with your legal and financial advisors before you sign this Franchise Agreement.

This Franchise Agreement has defined terms. A defined term is a shorthand reference within a document that refers to another name or idea in the document. Defined terms are underlined and surrounded by double quotes, typically with capitalized first letters, and may be contained in parentheses throughout the Franchise Agreement.

**2. GRANT OF FRANCHISE**

As a Boston’s franchisee, you will operate a sports bar and a restaurant specializing in the sale of gourmet pizza and pasta dishes and a variety of appetizers, fresh salads, side items, and desserts in a full service, casual dining environment (“Franchised Business”). The Franchised Business will operate under our service marks, trademarks, trade names, trade dress, logos, slogans and commercial symbols as we may from time to time authorize or direct you to use with the operation of the Franchised Business (the “Marks”).

We grant you a non-exclusive license to own and operate Franchised Business using the business formats, methods, procedures, signs, designs, standards, specifications, distinguishing elements, and intellectual property (“System”) that we authorize from a single location we approve (“Premises”) strictly in compliance with the terms and conditions set forth in this Franchise Agreement, and if approved by us, to also provide delivery and/or catering services (“Delivery Services”) within the Franchise Territory that we may specify in Attachment A-1 to this Franchise Agreement. You recognize and acknowledge the distinctive significance to the public of the System and Marks and acknowledge and understand our high and uniform standards of quality, appearance and service to the value of the System. You acknowledge that we may change, improve or otherwise modify the System as we deem appropriate in our discretion and you agree to promptly accept and comply with any such changes, improvements or modifications. You further acknowledge that our grant to operate a Franchised Business is based on the representations made in your application. You acknowledge and agree this Franchise Agreement does not grant you the right or option to open any additional Franchised Businesses or any right to sublicense or subfranchise any of the rights we grant you in this Franchise Agreement. You may only open an additional Franchised Business under a separate franchise agreement with us, which we may grant in our sole discretion.



### 3. FRANCHISEE AS ENTITY

#### 3.1 Entity Representations

For purpose of this Franchise Agreement, “Owner(s)” means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you, this Franchise Agreement, or the Franchised Business. If you are a corporation, partnership, limited liability company or other form of business entity (“Entity”), you agree and represent that:

3.1.1 Authority. You have the authority to execute, deliver, and perform your obligations under this Franchise Agreement and all related agreements and are duly organized or formed, validly existing, and in good standing under the laws of the state of your incorporation or formation.

3.1.2 Company Documents. At our request, you will furnish copies of all documents and contracts governing the rights and obligations of your Owners (such as, Articles of Incorporation or Organization and partnership, operating or shareholder agreements or similar documents, the “Company Documents”). You will not alter, change, or amend your Company Documents, without obtaining our prior written approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Franchise Agreement.

3.1.3 Transfer Restrictions. Your Company Documents will recite that this Franchise Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Franchise Agreement’s restrictions.

3.1.4 Naming. You agree not to use the name “Boston’s” or any similar wording in the name of your Entity.

3.1.5 Owner Identification. You certify that Attachment B to this Franchise Agreement completely and accurately describes all of your Owners and their interests in you as of the Effective Date. You agree to sign and deliver to us a revised Attachment B to reflect any permitted changes in the information that Attachment B now contains.

3.1.6 Single Purpose Entity. The Franchised Business will be the only business that the Entity may operate, and your organizational documents must reflect this (although the Owners in the Entity may have other business interests subject to any restrictions on competitive businesses contained in this Franchise Agreement).

3.1.7 Franchise ~~Owner~~Owners Agreement. All Owners and their spouses must sign the Franchise ~~Owner~~Owners Agreement, attached as Attachment C to this Franchise Agreement. You agree that, if any person or Entity ceases to be one of your Owners, or if any individual or Entity becomes an Owner of you (such ownership change must comply with the “Transfer Conditions” discussed later in this Franchise Agreement), you will require the new Owner (and the new Owner’s spouse) to execute all documents required by us, including the Franchise ~~Owner~~Owners Agreement.

3.1.8 No Offerings. You agree that you will not offer any securities (in a public or private offering or otherwise) or engage in any type of fundraising (like crowdfunding) without our prior written consent, which may be withheld in our sole discretion. You agree to give us written notice at least 30 days before the commencement of any offering covered by this Section and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering

shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners and the other participants in the offering must fully indemnify us, our affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

#### 4. TERRITORIAL RIGHTS AND LIMITATIONS

We may grant you a non-exclusive, designated territory consisting of the geographic area identified in Attachment A (“Franchise Territory”). If you receive a Franchise Territory for the Franchised Business, we will not operate, or grant a franchise or license to a third party to operate, a Franchised Business that is physically located your Franchise Territory, except as otherwise provided in this Section. We, and our affiliates, have the right to operate, and to license others to operate, Franchised Businesses at any location outside the Franchise Territory, even if doing so will or might affect your operation of your Franchised Business.

We retain all territorial rights not expressly granted to you. This includes, but is not limited to, the right to (i) to own, franchise, or operate Franchised Businesses at any location outside of the Franchise Territory, regardless of the proximity to your Franchised Business; (ii) to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Franchise Territory, including, but not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet; (iii) to use and license the use of other proprietary and non-Marks or methods which are not the same as or confusingly similar to the Marks, at any location, including within the Franchise Territory, which may be similar to or different from your Franchised Business; (iv) to engage in any transaction (including purchases, mergers or conversions), involving the System or a new system, with any business, including businesses that directly or indirectly compete with your Franchised Business, regardless of their location, provided that any competing businesses located inside your Franchise Territory will not operate under the Marks; (v) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; (vi) to engage in any other business activities not expressly prohibited by this Franchise Agreement. We are not required to pay you if we exercise any of our rights, including within your Franchise Territory. We are not required to pay you compensation for soliciting or accepting orders inside your Franchise Territory, including orders accepted or solicited by other Boston’s Pizza franchisees, or for exercising any of our rights within or outside of your Franchise Territory. You agree that you may face competition from us, from other franchisees and from other channels of distribution or competitive brands that we control within the Franchise Territory.

If your Franchised Business will be located in a Metropolitan Area or is operated from a Non-Traditional Location, you will not receive a Franchise Territory. A “Metropolitan Area” means any area in which the population during any 24-hour period exceeds 50,000 persons per square mile. A “Non-Traditional Location” means a location other than a standard brick and mortar retail location that is within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, train stations, amusement parks, and all properties controlled by the amusement park, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools, hospitals, military and other governmental facilities, office or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, grocery stores, outlet malls, supermarkets and convenience stores and any site for which



the lessor, owner or operator shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

## 5. TERM AND RENEWAL

### 5.1 Generally

The term of this Franchise Agreement will begin on the Effective Date and continue for 10 years (“Term”). If this Franchise Agreement is the initial franchise agreement for your Franchised Business, you may enter into a maximum of two successor franchise agreements (a “Successor Franchise Agreement”), as long as you meet the conditions for renewal specified below. The Successor Franchise Agreement shall be the current form of franchise agreement we use in granting Boston’s franchises as of the expiration of the Term. The terms and conditions of the Successor Franchise Agreement may vary materially and substantially from the terms and conditions of this Franchise Agreement. Each successor term will be five years. If you are signing this Franchise Agreement as a Successor Franchise Agreement, the references to “Term” shall mean the applicable renewal term of the Successor Franchise Agreement. Except as otherwise provided in this Section, you will have no further right to operate your Franchised Business following the expiration of the successor term unless we grant you the rights to enter into another franchise agreement, in our sole discretion. If you are renewing a prior franchise agreement with us under this Franchise Agreement, the renewal provisions in your initial franchise agreement will dictate the length of the Term of this Franchise Agreement, and your remaining renewal rights, if any.

### 5.2 Renewal Requirements

To enter into a Successor Franchise Agreement, you must:

5.2.1 Notice. Notify us in writing of your desire to enter into a Successor Franchise Agreement not less than 60 days nor more than 180 days before the expiration of the Term;

5.2.2 No Defaults. Not be in default under this Franchise Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Franchise Agreement, and you must not have received more than three separate written notices of default from us in the 12 months before your renewal notice or at the time you sign the Successor Franchise Agreement;

5.2.3 Successor Franchise Agreement. Sign the Successor Franchise Agreement and all ancillary documents we require franchisees to sign;

5.2.4 General Release. Sign our current form of general release which contains a release of all claims by you and your individual owners (if applicable) against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities;

5.2.5 Renewal Fee. Pay us a non-refundable renewal fee of \$25,000 (“Renewal Fee”).

5.2.6 Modifications. At least 60 days but not more than 180 days before the expiration of the Term, you must renovate, upgrade any equipment, tools, technology and other operations to comply with our then-current standards and specifications;

5.2.7 Premises. Have the right under your lease to maintain possession of the premises



where your Premises is located for the duration of the successor term; and

5.2.8 Renovations. You must also make any renovations, refurbishments and modernizations to the Premises and the Franchised Business as necessary to meet our then-current System standards for a newly opened Franchised Business. We will provide you with the required timeframe for doing so. Such requirements could include changes to the design, equipment, signs, décor, inventory, fixtures, furnishings, trade dress, presentation of Marks, supplies and other products and materials used in the Franchised Business.

5.2.9 Additional Actions. Take any additional actions we reasonably require.

### 5.3 Interim Term

If you do not sign a Successor Franchise Agreement after the expiration of the Term and you continue to accept the benefits of this Franchise Agreement, then, at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration meaning you are operating the Franchised Business without a valid franchise agreement in violation of our rights; or (ii) continued on a month-to-month basis (“Interim Term”) until either party provides the other party with 30 days’ prior written notice of their intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired, and all obligations, restrictions and covenants imposed on you upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term. Except as permitted by this Section, you have no right to continue to operate your Franchised Business following the expiration of the Term.

## 6. FEES

### 6.1 Late Fee

If any sums due under this Franchise Agreement have not been received by us when due then, in addition to those sums, you must pay us \$100 per occurrence, plus the daily equivalent of eighteen percent (18%) per year simple interest or the highest rate allowed by law, whichever is less (“Late Fees”). If no due date has been specified by us, then interest accrues from the original due date until payment is received in full.

### 6.2 Payment Methods

You must complete our automated clearing house (ACH) authorization form allowing us to electronically debit a bank account you designate (“Franchise Account”) for: (i) all fees payable to us under this Franchise Agreement (other than the Initial Franchise Fee); and (ii) any other amounts you owe to us or any of our affiliates including, but not limited to, those owed for the purchase of products or services. We will debit your Franchise Account for these payments on or after the due date. You must sign and deliver to us any other documents we or your bank may require authorizing us to debit your Franchise Account for these amounts.

You must deposit all revenue you generate from operating your Franchised Business into the Franchise Account. You must make sufficient funds available for withdrawal from the Franchise Account by electronic transfer before each due date. If any check or electronic payment is unsuccessful due to insufficient funds, stop payment or any similar event, any excess amounts you owe will be payable upon demand, together with a non-sufficient funds fee of \$100 per occurrence plus Late Fees. If we allow you make any payment to us or our affiliate(s) by credit card for any fee required, we may charge a payment service fee of up to 4% of the total charge. We reserve the right to periodically specify (in the Operations

Manual or otherwise in writing) different required payment methods for any payment due to us or our affiliates.

### 6.3 Payment Frequency

We reserve the right to periodically specify (in the Operations Manual or otherwise in writing) different payment frequencies (for example, weekly/biweekly/monthly payments) for any payment due to us or our affiliates.

### 6.4 Application of Payments

We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate. We are not obligated to follow any instructions you provide for allocation of the payments.

### 6.5 Payment Obligations

Your obligations to pay us the fees under this Franchise Agreement are absolute and unconditional, and will remain in full force and effect throughout the entire duration of this Franchise Agreement, and shall continue for such period of time thereafter as you owe us fees under this Franchise Agreement. You will have no right to offset any fees paid to us and must pay us all fees regardless of any claims you may have against us. We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities you may owe to us against any amounts or liabilities we may owe you under this Franchise Agreement or any other agreement, loan, transaction or relationship between the parties. Without limiting the generality of the foregoing, you agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations, withhold any fees due to us or our affiliates or amounts due to us for purchases by you or any other amounts due to us.

### 6.6 Gross Sales

For purposes of this Franchise Agreement, “Gross Sales” means the total of all revenue, income, surcharges and consideration from the sale of all Franchised Business merchandise, products and services to your customers, whether or not sold or performed at or from the Franchised Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to your customers. All barter or exchange transactions in which you furnish products or services in exchange for goods or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods or services so provided to you. Gross Sales will also include any insurance proceeds due to business interruption as a result of your Premises being closed as a result of a casualty event or any other reason.

### 6.7 Initial Franchise Fee

You agree to pay us the “Initial Franchise Fee” listed in Attachment A in one lump sum when you sign this Franchise Agreement. The Initial Franchise Fee is fully earned by us and is non-refundable once this

Franchise Agreement has been signed. If this Franchise Agreement is the renewal of a prior franchise agreement with us for an existing Franchised Business or the transfer of the Franchised Business from another franchisee, then no Initial Franchise Fee is due.

#### 6.8 Royalty

You agree to pay us a royalty fee (“Royalty”) equal to 5% of Gross Sales during the previous week. The Royalty is due on or before Thursday of each week (or such other date as we designate).

#### 6.9 Brand Fund Contribution

You must pay a “Brand Fund Contribution” in the amount we specify in our Operations Manual, currently 3% of Gross Sales during the previous week. The Brand Fund Contribution will be used for the Boston’s brand fund (“Brand Fund”) to promote awareness of our brand and to improve our System. The Brand Fund Contribution is due at the same time as your Royalty payment.

#### 6.10 Technology Fee

You must pay us our then-current technology fee (“Technology Fee”) throughout the Term of this Franchise Agreement beginning in the month you open your Franchised Business. The Technology Fee is an annual fee for the use of certain technologies used in the Franchised Business. We can change the software and technology that must be used by Franchised Business at any time we deem appropriate in our sole discretion, which may result in changes to the Technology Fee. You will be responsible for any increase in fees that result from any upgrades, modification, or additional software by us or by third-party vendors. We may modify the Technology Fee upon written notice to you.

You must also pay our then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies. These may include phone systems, security systems, scheduling software, digital ordering, employee shift/task management software, inventory solution and any other solutions we may require in the Operations Manual for your Franchised Business. We reserve the right to upgrade, modify and add new systems, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems and for any increase in fees from third-party providers. We may include these third-party fees in the Technology Fee and pay suppliers directly on our behalf.

#### 6.11 Other Fees and Payments

You agree to pay all other fees, expense reimbursements, and all other amounts specified in this Franchise Agreement in a timely manner. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon products or services you sell or based upon products or services we furnish to you (other than income taxes we pay based on amounts).

If a state or local law prohibits or restricts your ability to pay us Royalty and Brand Fund Contributions on alcoholic beverages, when you pay your Royalty, you will also pay us the difference between those fees you paid us and the fees that would have otherwise been paid (i.e., the dollar amount of the Royalty and Brand Fund Contributions that would have been charged on the difference between excluded sales and the Royalty and Brand Fund Contributions you actually paid us).

## **6.12 CPI Adjustments to Fixed Fees**

All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States. We may periodically review and increase these fees based on changes to the Consumer Price Index, but only if the increase to the Consumer Price Index is more than 5% higher than the corresponding Consumer Price Index in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one fee adjustment during any calendar year. Notwithstanding the forgoing, the fee adjustments in this Section shall not impact fees which we reserve the right to increase in higher amounts or to adjust more frequently, including but not limited to the Technology Fee.

## **7. ESTABLISHING YOUR FRANCHISED BUSINESS**

### **7.1 Opening**

You must open your Franchised Business to the public within 466 days after signing franchise agreement after the Effective Date. You may not open your Franchised Business before: (i) all required attendees have successfully completed the initial training program; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals required to establish, open and operate the Franchised Business (including but not limited to applicable liquor licenses); (iv) we provide our written approval of the construction, buildout and layout of your Premises; (v) and you receive our written approval. We will provide on-site support for the opening of your first and second (if applicable) Franchised Business as described in Section 8.2.

If you believe we have failed to adequately provide pre-opening services or training to you as provided in this Franchise Agreement, you shall notify us in writing within 30 days following the opening of the Franchised Business. If you do not provide such notice in a timely manner, it will be viewed as you conclusively acknowledging that all pre-opening and opening services and training required to be provided by us were sufficient and satisfactory in your judgment.

### **7.2 Site Selection**

We will provide you with advice and general specifications for identifying a suitable location for the Premises, if a suitable Premises has not been agreed upon by the Effective Date.

The Premises must conform to our minimum site selection criteria. We must accept the site selected by you in writing before you can proceed. Prior to granting our acceptance of a site, we will require you to retain the services of our designated project management firm who will assist you in site specific due diligence, including but not limited to initial conditions review and analysis, municipal review, scope development, initial site and floor planning, budget development and timeline development. You must send us a complete site report (containing the demographic, commercial and other information, photographs and videos we may reasonably require) for your proposed site. We may accept or reject all proposed sites in our commercially reasonable judgment. We will use our best efforts to accept or reject a proposed site within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. If we disapprove of the proposed site, you must select another site, subject to our consent. Our approval shall be evidenced by the execution of Attachment A-1 by you and us. You must only operate the Franchised Business at the location specified in Attachment A-1 and your Franchised Business may not offer products or services from any other location. You

acknowledge that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for the Premises. Our approval of the site indicates only that the site meets our minimum criteria. You agree to locate and obtain our approval of the Premises within 180 days after the Effective Date.

### 7.3 Lease

If you lease the Premises, you must submit to us, in the form we specify, a description of the site, a proposed copy of the lease and such other information and materials we may reasonably require at least ten days before signing the lease. If you own, otherwise control the Premises, including the land, building and related real estate, or own 51% or more of an entity that owns, leases or otherwise controls the Premises, then you will, as the lessee, enter into a lease for the Premises for a term coextensive with the term of this Franchise Agreement. You will ensure the lease either: (1) contains the “Lease Addendum” that is attached to the franchise disclosure document in Exhibit H; or (2) incorporates the terms of the Lease Addendum into the lease for the Premises. If your landlord refuses, we have the right to disapprove of your lease, in which case you must find a new site for your Premises. You and the landlord must sign the lease and Lease Addendum within 120 days of the Effective Date.

We will only review the lease to determine that it complies with the terms of this Franchise Agreement and will not provide you with any business, economic, legal or real estate analysis or advice with regards to the lease.” If you hire our approved vendor, they may assist you in negotiating the lease for your Premises. However, you are solely responsible for the terms of the lease and any site acceptance letter we provide for the lease does not provide any representation or warranty of any kind, express or implied, concerning the terms of the lease or the viability or suitability of the site for the Premises. You must promptly send us a copy of your fully executed lease and any Lease Addendum for our records. The lease may not be materially amended, assigned or terminated without our written approval. If the landlord terminates the lease for the Premises, that termination will constitute a ~~material~~ breach of this Franchise Agreement.

### 7.4 Construction

We will provide you with specifications for the design and layout for a Premises. You must hire our designated architect, or an architect approved by us in order for any modifications to these plans to comply with all local ordinances, building codes, permits requirements, and lease requirements and restrictions applicable to the Premises. You will be provided a prototypical set of drawings for the Franchised Business. These drawings must be site adapted to each individual site as required to meet local and state building codes. You must first review and accept the architect’s drafted floor plan and submit your floor plan to us for our review and acceptance. Once we accept your floor plan, the architect must develop your full construction drawings for the Premises. Upon your review and acceptance, you must submit your construction drawings to us for our final review and approval. You must retain the services of our designated project management firm to provide assistance with submitting, processing, monitoring and obtaining all necessary construction documents, licenses and permits and to advise you throughout the construction of your Franchised Business. Once we accept your floor plan and approve your construction drawings, drawings and specifications may not be changed or modified without our prior written approval. Once accepted by us, you must, at your sole expense, construct and equip the Premises to the specifications contained in the Operations Manual and purchase (or lease) and install the equipment, fixtures, furnishings, signs and other items we require. All exterior and interior signs of the Premises must comply with the specifications we provide to you. We must approve the architects, contractors and other suppliers you use to construct your Premises. You agree to provide us with weekly status updates as to construction of the Premises. You acknowledge these requirements are necessary and reasonable to preserve the identity,

reputation and goodwill we developed and the value of the Boston's System. We must approve the layout of your Premises before opening. We may conduct a pre-opening inspection of your Premises and you agree to make any changes we require before opening. You acknowledge and agree that you are solely responsible for the design and construction of the Premises according to our standards and for ensuring the Premises complies with all local ordinances, building codes and permits.

### 7.5 Catastrophe

If your Premises is destroyed or damaged by fire or other casualty and the Term of this Franchise Agreement and the lease for your Premises has at least two years remaining, you will: (i) within 30 days after such destruction or damage of your Premises, commence all repairs and reconstruction necessary to restore the Premises to its prior condition to such casualty; or (ii) relocate the Premises under the relocation provisions in this Section and the Term shall be extended for the period from the date the Premises closed due to the destruction or damage until it reopens.

### 7.6 Use of Premises

You may not use your Premises or permit your Premises to be used for any purpose other than offering the products and services we authorize, and you may only offer the products and services we authorize from your Premises. You are required to obtain and maintain an active liquor license at all times during the Term of this Agreement, subject to applicable law.

### 7.7 Relocation

You may relocate your Premises within your Franchise Territory with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate within your Franchise Territory, you must: (i) comply with all requirements of the Franchise Agreement regarding the selection, construction and decoration your new Boston's ~~Premise~~Premises; (ii) open your new Premises and resume operations within 30 days after closing your prior Premises; and (iii) reimburse us for our reasonable expenses (including attorney fees and costs). You may not relocate your Premises outside of your Franchise Territory without our prior written approval, which we may withhold in our sole discretion. We may require that your Franchise Territory be modified as a condition to our approval of you relocating your Premises. Upon our approval of the relocation of your Premises, Attachment A shall be updated with the new location (and Franchise Territory, if necessary), and the remainder of this Franchise Agreement shall remain in full force and effect. You agree to fully de-identify the former location of your Premises in accordance with our requirements at your sole cost and expense.

## 8. TRAINING AND CONFERENCES

### 8.1 Initial Training Program

If this Agreement is for your first or second Franchised Business, we will provide our initial training program at no charge (except that we may charge you for course materials, at our discretion) for up to seven people so long as all persons attend the initial training program simultaneously and the initial training program is provided at a location in or near Dallas, Texas. If you have entered into this Agreement for your third or any additional Franchised Business, your managers must complete initial training at your certified training Franchised Business. If you do not have a certified training Franchised Business, then we will provide initial training to your managers at our Dallas training center, and you must pay us our then-current fee for this training. If we provide the initial training program at a location that is not in the Dallas, Texas area, then you must reimburse us for all of our travel-related expenses at least 15 days before your initial

~~training. The initial training program must be completed within 120 days of the Effective Date. The initial training program must be completed within 120 days prior to the date that your Franchised Business is scheduled to open. We reserve the right to vary the length and content of the initial training program as we deem appropriate in our sole discretion based on the experience of the attendees. We shall determine the scheduling, exact duration, contents and manner of the initial training program in our discretion and may delay your attendance until a suitable time near the grand opening date for your Franchised Business in our discretion.~~

## 8.2 On-Site Opening Assistance and Training

If this Agreement is for your first or second Franchised Business, we will provide you with trainers for up to three weeks of on-site training before and during the opening of your Franchised Business. You must pay us our then-current on-site opening assistance fee (“On-Site Opening Assistance Fee”) as described in the Operations Manual (currently, \$15,000). If you request or we require that we provide additional training beyond the three-week period, we may charge you, at our discretion, our then-current fee for additional training and our then-current per diem per trainer as set forth in the Operations Manual, as well as any travel-related expenses we incur. The On-Site Opening Assistance Fee is due upon invoice, approximately 24 weeks before the opening date of your Franchised Business. If this Agreement is for your third or subsequent Franchised Business, and you request or if we determine that on-site opening assistance is necessary, we will provide assistance based on availability of our or our affiliates’ personnel, and you must pay us the On-Site Opening Assistance Fee. You must pay all costs and expenses for you and any attendees.

## 8.3 Additional Training

We may offer periodic refresher training courses or develop additional training courses. Attendance at these training programs may be optional or mandatory. You may be required to pay the then-current fee for this training as specified in our Operations Manual.

## 8.4 Requested Training

Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. You may be required to pay the then-current fee for this training as specified in our Operations Manual. If you request training assistance for any product or program rollout or if we deem such assistance is necessary, we may provide training assistance for the rollout, at our option. We will charge you our then-current program rollout fee for every visit we make to your Franchised Business plus all reasonable costs and related expenses we incur in connection with each program rollout.

## 8.5 Initial Training for New Owners/Franchise Managers

If you hire a new Franchise Manager or appoint a new Responsible Owner, the new Franchise Manager or Responsible Owner, as applicable, must attend and successfully complete our then-current initial training program. You must pay our then-current fees and expenses for this training as specified in our Operations Manual.

## 8.6 Remedial Training

If we determine, in our sole discretion, that you are not operating your Franchised Business in compliance with this Franchise Agreement and/or the Operations Manual, we may require that you, your

employees and other designees attend remedial training relevant to your operational deficiencies. You must pay us the then-current training fee as specified in our Operations Manual.

## 8.7 Conferences

We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Boston's franchisees. Attendance at these conferences may be mandatory or optional. You are responsible for paying our then-current conference fee, whether or not you attend the conference in any given year.

## 8.8 Training Expenses

You are solely responsible for all expenses and costs that your trainees incur for all trainings and conferences under this Section, including wages, travel, lodging, food and living expenses. You also agree to reimburse us for all expenses and costs we incur to travel to your Franchised Business under this Section, including travel, food, lodging and living expenses. All training fees and expense reimbursements must be paid to us within ten days after invoicing.

## 8.9 Certified Training Designation

If you own and operate multiple Franchised Businesses, then subject to our then-current certification procedures and your payment of the certification as described in the Operations Manual, after you have established your second Franchised Business and before the opening of your third Franchised Business (if applicable), you must implement an initial training and store opening program that complies with our standards. Under that program, you will be responsible for training the employees (including the manager(s)) of, and for providing on-site opening assistance to, the third and each subsequent Franchised Business developed by you. If you do not have a certified training Franchised Business before you open your third and subsequent Franchised Businesses (if applicable), we will provide initial training at our then-current fee as described in Section 8.1 of this Agreement. If your Franchised Business loses its standing as a certified training Franchised Business, then you must pay us our then-current re-certification fee for each visit we make to your Franchised Business as part of the re-certification process. We will charge you our then-current fee for every visit we make to your Franchised Business to determine if your Franchised Business qualifies for certified training Franchised Business designation, or requalifies if your Franchised Business has lost the designation.

# 9. OTHER FRANCHISOR ASSISTANCE

## 9.1 Operations Manual

We will lend you our confidential franchise operations manual ("Operations Manual") in text or electronic form for the Term of this Franchise Agreement. The Operations Manual will help you establish and operate your Franchised Business in accordance with the System. The information in the Operations Manual is confidential and proprietary and may not be disclosed to third parties without our prior written approval. The Operations Manual may be updated and modified throughout the Term, both formally through amendments to the Operations Manual and informally through email or other written materials we provide to you. You acknowledge that your compliance with the Operations Manual is vitally important to

us and other System franchisees, because it is necessary to protect our reputation, the goodwill of the Marks, and maintain the uniform quality of the System.

You agree to establish and operate your Franchised Business strictly in accordance with the Operations Manual. The Operations Manual may contain, among other things: (i) a description of the authorized products and services you may offer at your Franchised Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for goods, products, services, ingredients and menu items that you use or offer at your Franchised Business; (iii) policies and procedures we prescribe from time to time for our franchisees; (iv) mandatory reporting and insurance requirements; (v) policies and procedures pertaining to any gift card program we establish; and (vi) a written list of furniture, fixtures, equipment, products and services (or specifications for such items) you must purchase for the development and operation of your Franchised Business and a list of any designated or approved suppliers for such items. The Operations Manual establishes and protects our brand standards and the uniformity and quality of the products and services offered by our franchisees. We can modify the Operations Manual at any time. The modifications will become binding as soon as we send you notice of the modification. All mandatory provisions in the Operations Manual (whether they are included now or in the future) are binding on you. The Operations Manual is currently available in electronic format at no charge to you. If you require a hard copy of the Operations Manual, you will pay us a \$500 fee.

While the Operations Manual is intended to protect our reputation and goodwill of the Marks, you will be responsible for the day-to-day operation of your Franchised Business and the Operations Manual is not designed to control the day-to-day operation of the Franchised Business.

## 9.2 General Guidance

We will, upon reasonable request, provide advice or guidance regarding your Franchised Business's operation based on reports or inspections or discussions with you. We will provide reasonable marketing consulting, guidance and support throughout the Term we deem appropriate. Any advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods, in our discretion.

## 9.3 Website

We will maintain a website for Franchised Businesses ("System Website") that will include the information about your Franchised Business we deem appropriate. We may modify the content of and/or discontinue the System Website at any time in our sole discretion. We are only required to reference your Franchised Business on our System Website while you are in full compliance with this Franchise Agreement and all System standards. We must approve all content about your Franchised Business. We will own the System Website (including any webpages for your Franchised Business) and domain names. We intend that any franchisee website will be accessed only through this System Website.

## 9.4 Supplier Agreements

We may, but are not required to, negotiate agreements with suppliers to obtain products or services for our franchisees. If we negotiate an agreement, we may arrange for you to purchase the products directly from the supplier. We may receive rebates from these suppliers based on your purchases. We may also purchase certain items from suppliers in bulk and resell them to you at our cost (including overhead and salaries), plus shipping fees and a reasonable markup, in our sole discretion.

## 10. MANAGEMENT AND STAFFING

### 10.1 Owner Participation

If you are an Entity, you must designate an Owner who will be principally responsible for communicating with us about the Franchised Business (“Responsible Owner”). If you are an individual, you are the Responsible Owner. The Responsible Owner must have the authority and responsibility for the day-to-day operations of your Franchised Business and must have at least twenty-five percent (25%) equity. You acknowledge that a major requirement for the success of your Franchised Business is the active, continuing and substantial personal involvement and hands-on supervision by your Responsible Owner, who must at all times be actively involved in operating the Franchised Business on a full-time basis and provide on-site management and supervision, unless we permit you to delegate management functions to a Franchise Manager, see below. If you appoint a new Responsible Owner, the new Responsible Owner, must attend and successfully complete our then-current initial training program.

### 10.2 Franchise Manager

You may hire a manager to assume responsibility for the daily in-person on-site management and supervision of your Franchised Business (“Franchise Manager”), but only if: (i) we approve the Franchise Manager in our commercially reasonable discretion; (ii) the Franchise Manager successfully completes the initial training program; and (iii) your Responsible Owner agrees to assume responsibility for the on-site management and supervision of your Franchised Business if the Franchise Manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Franchise Manager. We do not require that the Franchise Manager have an ownership interest in the legal entity of the Franchise owner. If you hire a new Franchise Manager, the new Franchise Manager must attend and successfully complete our then-current initial training program, and you will be required to pay our then-current training fee.

### 10.3 Staff

You must determine appropriate staffing levels for your Franchised Business to ensure full compliance with this Franchise Agreement and our System standards. You are solely responsible to hire, train and supervise employees or independent contractors to assist you with the proper operation of the Franchised Business. You must pay all wages, commissions, fringe benefits, worker’s compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your employees or as applicable, for your independent contractors. These employees and independent contractors will be your employees or contractors, not ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You must inform your employees and independent contractors you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, ~~time cards~~timecards and similar items.

You have sole responsibility and authority for all employment-related decisions, including employee selection and promotion, firing, hours worked, rates of pay and other benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign any acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee or independent

contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the back-of-the-house area explaining your franchise relationship with us and that you (and not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment/engagement policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel competent in employment law.

#### 10.4 Assumption of Management

10.4.1 Interim Manager. In order to prevent any interruption of operations which would cause harm to or depreciate the value of the Franchised Business, we have the right, but not the obligation, to step-in and designate an individual or individuals of our choosing ("Interim Manager") for so long as we deem necessary and practical to temporarily manage your Franchised Business ("Step-In Rights"): (i) if you violate any System standard or provision of this Franchise Agreement and do not cure the failure within the time period specified by the Franchise Agreement or us; (ii) if we determine in our sole judgment that the operation of your Franchised Business is in jeopardy; (iii) if we determine in our sole discretion that operational problems require that we operate your Franchised Business; (iv) if you abandon or fail to actively operate your Franchised Business; (v) upon your Responsible Owner or your Franchise Manager's absence, termination, illness, death, incapacity or disability, and you are unable to find an adequate replacement within thirty (30) days; (vi) if we deem your Responsible Owner or your Franchise Manager incapable of operating your Franchised Business; or (vii) upon a "Crisis Management Event."

A "Crisis Management Event" means any event or series of events that occurs at the Franchised Business that has or may cause harm or injury to customers or employees, or any other circumstance which may damage the System, Marks or image or reputation of the Franchised Business or us or our affiliates. We may establish emergency procedures which may require you to temporarily close the Franchised Business to the public, in which case you agree that we will not be held liable to you for any losses or costs. You agree to notify us immediately by telephone and email upon the occurrence of a Crisis Management Event.

10.4.2 Step-In Rights. If we exercise the Step-In Rights: (i) you agree to pay us, in addition to all other amounts due under this Franchise Agreement, an amount equal to \$500 per day per Interim Manager that manages your Franchised Business ("Management Fee"), plus the Interim Manager's direct out-of-pocket costs and expenses; (ii) all monies from the operation of your Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including compensation and direct out-of-pocket costs and expenses for the Interim Manager, shall be charged to said account; (iii) you acknowledge that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Franchised Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Franchised Business purchases, while Interim Manager manages it; (iv) the Interim Manager will have no liability to you except to the extent directly caused by its gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager, and you will indemnify and hold us harmless for and against any of the Interim Manager's acts or omissions, as regards to the interests of you or third parties; and (v) you agree to pay all of our reasonable attorney fees, accountant's fees, and other professional fees and costs incurred as a consequence of our exercise of the Step-In Rights.

Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination.

## 11. BRAND FUND

The Brand Fund is used to promote public awareness of our brand and to improve our System. You are required to pay the Brand Fund Contribution. The Brand Fund may be administered by us or our affiliate or designees, at our discretion. We may use the Brand Fund for any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Boston's brand.

To illustrate, these may include, but are not limited to, the following: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development (including social media) and search engine optimization; (vii) development and implementation of quality control programs and other reputation management functions; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) the proportionate salary share of our employees that devote time and provide services for advertising, promotion, collection, accounting or administration of the Brand Fund; (xii) preparing and distributing financial accountings of the Brand Fund; (xiii) training tools; and (xiv) our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location, and all other matters pertaining to any of the foregoing activities. We may use national and/or regional advertising agencies for the source of advertising materials or we may prepare them ourselves. Any surplus of monies in the Brand Fund may be invested. Any unused funds collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable. The Brand Fund is not a trust, and we have no fiduciary obligations to you regarding our administration of the Brand Fund. An unaudited financial accounting of the operations of the Brand Fund, including deposits into and disbursements from the Brand Fund, will be prepared annually and provided to you upon written request.

We do not ensure that our expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to the Brand Fund Contribution by our franchisees operating in that geographic area or that any of our franchisees benefit directly or in proportion to their Brand Fund Contribution. We reserve the right to change, merge, re-form or dissolve the Brand Fund in our discretion. We will not use the Brand Fund for advertising principally for the solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "franchises available" or similar phrasing. We may, upon 30 days' prior written notice to you, reduce or suspend Brand Fund Contribution and operations for one or more periods of any length and terminate and/or reinstate the Brand Fund. We will spend all amounts before any termination of the Brand Fund.

## 12. FRANCHISEE MARKETING AND ADVERTISING

### 12.1 Standards

All advertisements and promotions you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws, rules and



regulations and our standards and requirements in the Operations Manual. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property or legal rights of others.

## 12.2 Promotional Programs

We may periodically create advertising and sales promotion programs and materials to enhance the collective success of all Boston's franchisees operating under the System. You must participate in all such rebates, giveaways, advertising and sales promotion programs in accordance with the terms and conditions that we specify. These promotional programs may require that you offer products or services at no charge or discounted rates. We may also request you purchase and use advertisements and promotional materials we designate for your Franchised Business.

## 12.3 Marketing Materials

You must order any sales and marketing material from us, or our designated suppliers (which may be an affiliate), that we require. We may create and make available to you, advertising and other marketing materials. We may charge you for these materials. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). We may also enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

## 12.4 Approval

We must approve all advertising and promotional materials we did not prepare or previously approve (including materials we prepared or approved and you modify) before you use them. We will be deemed to have disapproved the materials if we fail to issue our approval within 30 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). If you use any advertising without our approval, you must pay us our then-current unauthorized advertising fee as described in our Operations Manual.

## 12.5 Pre-Opening Marketing

We will present you with customized marketing plan options designed to advertise and promote the opening of your Franchised Business approximately 24 weeks before the opening date of your Franchised Business. You must select a media plan option approved by us and pay our then-current cost of the marketing plan (currently, approximately \$20,000) as described in our Operations Manual within 14 days of our presentation to you. Any portion of the Pre-Opening Marketing Assistance amount that is unused as of the opening date of your Restaurant will be used for marketing your Restaurant in your Franchise Territory after opening. You will request, in writing, that we pay the advertising vendor directly for the advertising media you have procured out of the remaining Pre-Opening Marketing Assistance amount. There is no deadline for you to use the remainder, and it will continue to roll over until exhausted. If the cost of the advertising you submit for remittance to the vendor is more than the remainder of your Pre-Opening Marketing Assistance, you will be responsible for the difference. Any marketing or advertising beyond your Pre-Opening Marketing Assistance plan and payment is in addition to your Brand Fund Contribution and Local Advertising Requirement obligations, as applicable. All expenses and fees for your pre-opening marketing plan are non-refundable under any circumstances.

You may, at your sole option and expense, host additional opening or grand opening events. If you elect to host such events, we must approve in writing, in advance, all advertising, methods, and media

you use in connection with such events, and your related expenditures will not be credited toward the pre-opening advertising described above or any of your other advertising expenditures or other obligations.

## 12.6 Local Advertising Requirement

In addition to your required Brand Fund Contribution, you must spend 1% of Gross Sales per month on local advertising for your Franchised Business (“Local Advertising Requirement”). Local advertising and promotion will be conducted by you individually or, at our discretion, with other franchisees in your region. Your local marketing must comply with the policies and procedures established by us for the prior approval of all proposed marketing and promotion campaigns and materials. On or before the tenth day of each month, you must submit to us a local advertising report, including substantiating receipts, detailing your local advertising expenditure for the preceding month. We also have the right to review your books and records from time to time to determine your local advertising expenditure. We will measure your compliance with this requirement on a rolling three-month basis based on your reporting, meaning that as long as your average monthly expenditure on local advertising over the three-month period equals or exceeds the minimum monthly amount that we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify. If you fail to spend the Local Advertising Requirement during, you will be required to pay the difference between the amount you spent and your Local Advertising Requirement for the applicable three-month period to the Brand Fund. You agree to participate at your own expense in all advertising, promotional and marketing programs we require, which may require that you offer products or services for sale at discounted prices or at no charge.

## 12.7 Online Advertising

You may not maintain a separate website, conduct e-commerce, or otherwise maintain a presence on the Internet in connection with your Franchised Business without our express written permission, which we may revoke at any time, in our sole discretion. Any website we permit you to establish will be subject to all of your marketing and advertising requirements under this Franchise Agreement and the Operations Manual. If you wish to utilize social media or advertise online, you must follow our online policy contained in our Operations Manual. Our online policy may change as technology and the Internet changes. We may require that you utilize our designated supplier for social media marketing services, at your expense. You may not use the Marks in any fundraising campaign, including crowdfunding. We may restrict your use of social media. We restrict your ability to independently market on the Internet, and we may not allow you to use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks.

## 12.8 Advertising Cooperative

You must participate in any advertising cooperative that we require for the purpose of creating and/or purchasing advertising programs for the benefit of all franchisees operating within a particular region. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We may form, change, dissolve or merge any advertising cooperative. Your participation in any cooperative must be in compliance with the provisions of the Operations Manual, which we may periodically modify at our discretion. We have the right to determine the composition of all geographic territories and market areas for each advertising cooperative. Franchisees in each cooperative will contribute an amount to the cooperative for each Franchised Business that the franchisee owns that exists within any cooperative’s geographic area. Each

Boston's business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees.

### 12.9 Advisory Council

We may form, change, merge or dissolve an advisory council ("Council") at any time, in our sole discretion, to advise us on advertising policies and to promote communications between us and all franchisees. Any such Council will be governed by bylaws that will specify that members of the Council would consist of both franchisees and franchisor representatives and will specify how members are selected, subject to any changes to such bylaws or structure we deem necessary in our sole discretion. Any Council would serve in an advisory capacity only. We may grant the Council any operation or decision-making powers we deem appropriate.

## 13. BRAND STANDARDS

### 13.1 Generally

You agree to operate your Franchised Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Franchise Agreement and the Operations Manual. Any required standards exist to protect our interests in the System and the Marks, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be in the Operations Manual or other written materials and may be periodically modified over the Term. To protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

### 13.2 Authorized Products and Services

The products or services offered by the Franchised Business are subject to change and we do not represent that your Franchised Business will always be permitted or required to offer all of the products or services currently offered. You agree to offer all products and services we require from time to time. You may not offer any other products or services at your Franchised Business without our prior written permission. We may, without obligation to do so, add, modify or delete authorized products and services, and you must do the same upon notice from us. You may incur additional expenses to offer new products or services. Our addition, modification or deletion of one or more products or services shall not constitute a termination of this Franchise Agreement. You will not enter into any agreements with any third parties that can process orders for you on your behalf without our express written permission, which we may revoke at any time, in our sole discretion. We may, but are not required to, create Boston's proprietary products for sale at your Franchised Business. If we develop any of these products, you agree to maintain a reasonable inventory of these items at all times. You must obtain a retail alcoholic beverage license under state and local law, regulations and ordinances. You agree to comply with all applicable federal, state, municipal licensing, insurance and other laws and regulations applicable to the sale of alcoholic beverages and to obtain the liquor liability insurance requirements set forth in the Franchise Operations Manual.

### 13.3 Suppliers and Purchasing

You agree to purchase or lease all products, supplies, equipment, services, and other items specified in the Operations Manual. If required by the Operations Manual, you agree to purchase or lease certain products and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliates). You acknowledge that our right to specify the suppliers you may use

and add or remove suppliers is necessary and desirable so we can control the uniformity and quality of products and services used, sold or distributed in connection with the development and ongoing operation of your Franchised Business, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon your purchases or any other of our franchisee's purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If we do not require you to use a designated source or approved supplier for a particular item, you may purchase the item from any vendor you choose so long as your purchases conform to our System and specifications. We may restrict the sourcing of current and future items. You agree to maintain an adequate inventory of all items in accordance with the Franchise Operations Manual.

If you wish to purchase any items or supplies from a supplier we have not approved or wish to offer any new product or service we have not authorized in writing, you must send us a written notice specifying the supplier's name and qualifications or product or service information and provide any additional information we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. If we fail to issue our approval within the 30-day period, it will have the same effect as a rejection to the request. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier within ten days after invoicing. We may revoke approval of any supplier, product or service in our sole discretion in which case you must stop purchasing from such supplier.

#### **13.4 Equipment Maintenance and Changes**

You agree to keep any equipment used in the operation of your Franchised Business in good condition and promptly replace or repair any equipment that is damaged, worn out or obsolete. We may require that you add new equipment or change, upgrade or replace your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System, and you agree to comply with any such required change within a reasonable time period designated by us.

#### **13.5 Hours of Operation**

You must keep your Franchised Business open for the minimum hours and minimum days of operation as specified in the Operations Manual, which may change over the Term. Your Franchised Business must be open every day of the year, other than those approved national holidays listed in the Operations Manual, unless otherwise agreed to by us. We may require you to establish specific hours of operation and submit those hours to us for approval.

#### **13.6 Customer Issues**

You acknowledge the importance to the System and uniform standards of quality, service and customer satisfaction, and recognize the necessity of opening and operating a Franchised Business in conformity with the System. You agree to manage the Franchised Business in an ethical and honorable manner and ensure that all those working at the Franchised Business provide courteous and professional service to customers. If you receive a customer complaint, you must promptly follow the complaint resolution process we specify to protect the goodwill associated with the Marks. Also, if we are contacted by a customer of your Franchised Business who wishes to lodge a complaint, we reserve the right to address the customer's complaint to preserve goodwill and prevent damage to the Marks. Our right to address complaints may include refunding money to a dissatisfied customer, in which case you must reimburse us for these amounts

including the value of any gift card, refund or other value we provide to the customer as part of addressing the issue.

We may contact any customer of your Franchised Business at any time for any purpose. We, or our authorized representative, shall have the right, during regular business hours, or at such other times as may be mutually agreed upon by you and us, to inspect all client lists and documents and records related to the Franchised Business. Upon reasonable request, you must furnish to us in whatever format we require, all client information and records for the Franchised Business, both active and inactive, which shall include, but not be limited to, names, addresses, and telephone numbers of such clients (“Customer List”). You acknowledge and agree that we are the sole owner of the Customer List and that you shall not use the Customer List for any purpose other than for the operation of the Franchised Business or distribute, in any form or manner, the Customer List to any third party without our prior written consent.

### 13.7 Standards Compliance

You acknowledge the importance of every standard and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks.

### 13.8 Payment Vendors and Data Security

You agree to maintain, at all times, credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, payment providers, merchant service providers, loyalty and gift cards, and electronic fund transfer systems (together, “Payment Vendors”) that we may periodically designate as mandatory. The term “Payment Vendors” includes, among other things, companies that provide services for electronic payment. You agree not to use any Payment Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We may modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC, or any successor organization or standards we may reasonably specify. You agree to implement the enhancements, security requirements and other standards that PCI Security Standards Council, LLC (or its successor) requires of a merchant that accepts payment by credit and/or debit cards or electronic payments.

### 13.9 Gift Cards and Loyalty Programs

You agree to participate in our gift card and loyalty programs, if any, and agree to make gift cards and loyalty programs available for purchase and redemption at your Franchised Business subject to the policies and procedures contained in the Operations Manual. You will not create or issue any gift cards or certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Franchised Businesses, and you will not issue coupons or discounts of any type except as approved by us. You also agree, at your sole cost and expense, to issue and offer such rebates, giveaways and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways and other promotions issued by other Boston’s franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation.

### 13.10 Privacy

You agree to comply with all applicable international, federal, state and local laws pertaining to the privacy of customer, employee and transactional information (“Privacy Laws”). You agree to research and

proactively ensure that your Franchised Business is in compliance with Privacy Laws. You also agree to comply with our standards and policies pertaining to Privacy Laws. You agree to inform us of any conflicts between our standards and policies and any Privacy Laws that govern your Franchised Business and ensure that your conduct complies with all those Privacy Laws.

### 13.11 Remodeling

You agree to remodel and make all improvements and alterations to your Franchised Business we reasonably require from time to time to reflect our then-current image, appearance and Premises specifications. There is no limitation on the cost of any remodeling that we may require. You will not cause or allow any furnishings, fixtures, equipment, signs, décor, ATM machines, vending machines, video games, juke boxes, public telephone, or other type of vending machines to be installed on the Premises without our prior approval. However, we will not be required to approve any proposed remodeling or alteration that would not conform to our then-current standards, specifications or image requirements. You agree to complete any remodel of the Premises within nine months after receiving our written request specifying the requirements.

### Quality Inspection Audits

At any time, we reserve the right to engage the services of one or more mystery shoppers or quality assurance inspection firms who will inspect your Franchised Business for quality control purposes. These inspections may address a variety of issues, including, but not limited to, customer service, food safety, sanitation, and inventory rotation. You agree to fully cooperate with any such inspection. If you fail to meet our required passing percentage rate you must pay our then-current re-audit fee as set forth in the Operations Manual.

### Premises Maintenance

You agree to maintain your Premises in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations at your sole expense, to comply with our standards and specifications. Without limiting these obligations, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the Premises as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule we prescribe from time to time.

### Delivery Services

You must follow our delivery and catering policies and procedures in our Operations Manual, which may require you to provide Delivery Services and/or utilize certain third-party delivery services approved by us. You may be limited to offering Delivery Services in a non-exclusive geographic area (the “Delivery Area”). You acknowledge and agree that ~~the~~customers should be free to order from the Boston’s Pizza location that they wish and, therefore, you are not guaranteed any specific territory, territorial rights or area for catering, online ordering or delivery services and that any Delivery Area may not be consistent in any way with the geographic limits of the Franchise Territory. We may expand, contract or eliminate any Delivery Area provided to you. We may require you to discontinue Delivery Services at any time in our sole discretion. Your failure to abide by the policies and procedures established from time to time by us in regard to Delivery Services shall be a default under this Franchise Agreement. Without limiting our rights in the event of such a default, we shall be permitted, in order to maintain acceptable guest experience levels consistent with our then-current System standards, to temporarily or permanently suspend you from

providing Delivery Services. We may permit other franchisees or third parties to provide Delivery Services in your Franchise Territory or Delivery Area without compensating you for such services. You may be required to use the third-party delivery service(s) with which we have a national contract or other agreement, and you may be restricted from contracting with any other delivery providers or platform without our written approval. Our delivery and catering policies and procedures in our Operations Manual shall be subject to change at any time. You must execute all documents required by us relating to your participation in Delivery Services. You shall be responsible for all fees and charges levied by us or our affiliates or any designated third-party delivery service platform or supplier for your participation in the Delivery Services.

## 14. TECHNOLOGY

### 14.1 Technology

You must utilize the technology, including software, computer hardware and components, point of sale system with multiple terminals, cash register(s), communication equipment, printers, computer workstations, and a kitchen video system and all related connectivity devices and other related accessories or peripheral equipment (collectively, “Technology”) that we require. We may change the Technology you must use for your Franchised Business at any time. You will utilize the Technology with the Franchised Business under our policies and procedures in the Operations Manual. You must pay the Technology Fee for the use of certain technologies used in the operation of your Franchised Business. We may require you to sign certain agreements with us in connection with the usage and protection of such Technology, including but not limited to the Terms of Service Agreement attached as Exhibit H-7 of our Franchise Disclosure Document and the BostonLink Agreement attached as Exhibit H-8 of our Franchise Disclosure Document. For other required Technology, you agree at your expense to use any approved supplier we require. We may change or add approved suppliers of this Technology at any time, in our sole discretion. You will, at your expense, purchase and maintain any required communication services, Internet services (including the requirement to maintain a high-speed Internet connection), dedicated telephone and power lines. You acknowledge and agree that changes to Technology are dynamic and not predictable within the Term of this Franchise Agreement. To provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we may establish, in writing, reasonable new standards for implementing Technology in the System and you agree to comply with those reasonable new standards we establish as if we periodically revised this Section for that purpose. You will keep the Technology in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications or substitutions to Technology, as we may specify periodically. There is no limitation on the frequency and cost of your obligation to maintain, update or upgrade your Technology or its components. You acknowledge that you are solely responsible for protecting your Franchised Business from computer viruses, bugs, failures, data breaches and attacks by hackers and other unauthorized intruders in the Technology.

### 14.2 Proprietary Software

We may also develop proprietary software or technology that must be used by Boston’s franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The license agreement will govern the terms under which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third-party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts we must pay to the licensor based on your use of the software or technology.

### 14.3 Our Access

You will provide any assistance we require to connect to the Technology. We will have the right at any time to retrieve data and other information from your Technology as we, in our sole discretion, deem necessary or desirable. You shall ensure that we have access at all times to any Technology we request, at your cost. You must provide us with any and all requested codes, passwords and information necessary to access your Technology. You must receive our prior approval before changing such codes, passwords and other necessary information.

## 15. TRANSFER BY US

This Franchise Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Franchise Agreement; provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Franchise Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Franchise Agreement to one or more designees without assigning this Franchise Agreement.

## 16. TRANSFER BY YOU

### 16.1 Approval

For purposes of this Franchise Agreement, “Transfer” means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree) assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the Franchise Agreement, the Franchised Business (or any portion thereof), or a direct or indirect ownership interest in an Entity that is the franchisee (or any interest therein), including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

Neither you nor any Owner may engage in any Transfer without our prior written approval. Any Transfer without our approval shall be void and constitute a breach of this Franchise Agreement. Our consent to a Transfer shall not constitute a waiver of any claims we may have against you or the Owners, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the Franchise Agreement by the transferee.

### 16.2 Our Right of First Refusal

If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the Franchised Business (our “Right of First Refusal”). If we notify you that we intend to purchase the Franchised Business within such 30-day period, you or the Owner, as applicable, must sell the Franchised Business to us on the same terms as contained in the offer you received; provided that we may substitute cash for any non-cash form of payment proposed in the offer.

We will have at least an additional 30 days to conduct a due diligence review and to prepare for closing. You agree to provide us with all information and records we request about the Franchised Business, and we will have the absolute right to terminate the obligation to purchase the Franchised Business for any reason during the due diligence period. You and we will act in good faith to agree on the terms and

conditions of the written offer, and closing will take place on the 61<sup>st</sup> day following receipt of your offer. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of this Section (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the Right of First Refusal specified in this Section.

Our Right of First Refusal is fully transferable by us to any affiliate or third party.

### 16.3 Transfer Conditions

We will not unreasonably withhold our approval of any proposed Transfer; provided that the following conditions are all satisfied (“Transfer Conditions”):

16.3.1 Written Notice. You have provided us with written notice of the proposed Transfer at least 45 days before the transaction. You must also submit a copy of the proposed purchase agreement together with all supporting documents and schedules between you and the proposed transferee to us for our review to ensure that the Transfer does not violate any term of this Franchise Agreement.

16.3.2 Qualified Transferee. The proposed transferee is, in our opinion, an individual of good moral character with sufficient business experience, aptitude and financial resources to own and operate a Franchised Business and otherwise meets all of our then-applicable standards for franchisees and the purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or threaten the future operation of the Franchised Business.

16.3.3 Monetary Obligations. All of your monetary obligations to us and our affiliates have been paid in full and you and the Owners are in full compliance with the terms of this Franchise Agreement and all other agreements with us or our affiliate(s) and have cured all existing defaults of this Franchise Agreement.

16.3.4 Training. The transferee has (or if the transferee is an Entity, its approved Responsible Owner and any Franchise Manager have) successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the training fee for each new person who must attend training).

16.3.5 Licenses and Permits. The transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law to own and operate the Franchised Business.

16.3.6 New Franchise Agreement. You must request that the transferee be provided with our then-current form of franchise disclosure document. You agree that we will not be liable for any representations that you or your Owners make that are inconsistent with such franchise disclosure document. The transferee and its owners sign our then-current form of franchise agreement and related documents, including, but limited to, our then-current form of Franchise ~~Owner~~ Owners Agreement or other guaranty (unless we, in our sole discretion, instruct you to assign this Franchise Agreement to the transferee), except that: (i) the Term and successor term(s) shall be the Term and successor term(s) remaining under this Franchise Agreement; and (ii) the transferee does not need to pay a separate initial franchise fee.

16.3.7 Transfer Fee. You pay us a transfer fee of \$25,000 (“Transfer Fee”). You will pay the Transfer Fee to us as follows: (i) \$1,000 non-refundable deposit at the time of your transfer application request; and (ii) the remaining balance shall be due at or before the time you consummate the approved Transfer.

16.3.8 General Release. You and each of your Owners sign a general release in the form we prescribe for all known and unknown claims arising against us, our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees which arise before or contemporaneously with the Transfer. If the proposed transferee has any previous relationship with us or our affiliates, then the proposed transferee must also execute a general release.

16.3.9 Right of First Refusal. We do not elect to exercise our Right of First Refusal.

16.3.10 Subordination. We may, in our sole discretion, require you to enter into an agreement with us to subordinate the transferee’s obligations to you to the transferee’s financial obligations owed to us under the Franchise Agreement.

16.3.11 Broker Costs. You must pay any broker costs, commissions or other placement fees we incur as a result of the Transfer.

16.3.12 Premises. Your landlord consents to your assignment of the lease for the Premises to the transferee, or the transferee is diligently pursuing an approved substitute location within the Franchise Territory.

16.3.13 Remodel. You must remodel your Premises to comply with our then-current standards and specifications, or you obtain a written commitment from the transferee to do so.

16.3.14 Other Conditions. You and each of your Owners agree to comply with all obligations that survive the termination, expiration or Transfer of this Franchise Agreement. The transfer must be made in compliance with any laws that apply to the transfer including all laws governing the offer and sale of franchises. You or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

#### 16.4 Transfer to an Entity

If you are an individual, you may transfer your ownership interests to an Entity provided that: (i) the Owner or Owners of the Entity are the same persons who signed this Franchise Agreement and (ii) you comply with the Transfer Conditions. Our Right of First Refusal will not apply for a Transfer conducted under this Section and you must reimburse us for all of our fees and costs, including attorney fees (in lieu of the Transfer Fee), associated with your Transfer to the Entity. In lieu of entering into a new Franchise Agreement, you will be required to enter into any required documentation, which may include an approval of transfer agreement, a general release of claims and a Franchise ~~Owner~~Owners Agreement in the forms we prescribe.

#### 16.5 Death or Disability

Upon the death or disability of you (if you are an individual) or of an Owner (if you are an Entity), your interest in the Franchised Business or the Owner’s ownership interest in you, as applicable, must be assigned to a third party or another Owner approved by us within 180 days of such person’s death or disability, as the case may be. For purposes of this Section, a person is deemed to have a disability only if the person has a medical or mental illness, problem or incapacity that would prevent the person from

substantially complying with his or her obligations under this Franchise Agreement or otherwise operating the Franchised Business in the manner required by this Franchise Agreement and the Operations Manual for a continuous period of at least 90 consecutive calendar days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, the existence of disability will be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section) the person automatically will be considered disabled as of the date of refusal. Your (or the deceased Owner's) estate or legal representative must apply to us for the right to Transfer to the next of kin within 120 calendar days after your or your Owner's death or disability. We may appoint an Interim Manager and charge you the Management Fee if the death or disability of you or any Owner has any impact on the Franchised Business.

## 17. INTELLECTUAL PROPERTY

### 17.1 Ownership and Use of Intellectual Property

For purposes of this Franchise Agreement, "Intellectual Property" means the Marks, our copyrighted materials, "Confidential Information" (defined below), the System and "Improvements" (defined below). You acknowledge that: (i) we, or our affiliates, if applicable, are the sole and exclusive owner of the Boston's Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Franchise Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Franchised Business during the Term pursuant to, and only in compliance with, this Franchise Agreement, the Operations Manual, and all applicable standards, specifications and operating procedures we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service, or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Operations Manual governing your use of the Intellectual Property. This Franchise Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property. You agree that during the Term of this Franchise Agreement and after its termination, expiration or Transfer you will not, directly or indirectly, contest our interest in the Intellectual Property.

For purposes of this Franchise Agreement, "Confidential Information" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Franchised Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, the Operations Manual, written directives and all drawings, equipment, computer and point of sale programs (and output from such programs), and any other information, know-how, techniques, material and data imparted or made available by us to you.

For purposes of this Franchise Agreement, "Improvements" means any improvements or additions to the System, marketing, method of operation, or the products or services offered by a Franchised Business.

### 17.2 Changes to Intellectual Property

We may modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, our copyrights or the Confidential Information. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days, at your expense. We will not be liable to you for any expenses, losses or damages you

incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

### 17.3 Use of Marks

You agree to use the Marks as the sole identification of your Franchised Business; provided, however, you must identify yourself as the independent owner of your Franchised Business in the manner we prescribe. You may not use any Marks in any modified form or as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by this Franchise Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate, and in the manner we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours. You agree that any use of the Marks by you and your Franchised Business shall contribute and inure to our benefit.

Upon our request, you agree to display in a conspicuous location in your Premises, a sign containing a notice stating that your Franchised Business is owned and operated independently by you.

### 17.4 Use of Confidential Information

You acknowledge that you will use the Confidential Information only in operating the Franchised Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Franchise Agreement. You will take all actions to preserve the confidentiality of all Confidential Information, including safeguarding access to the Operations Manual. You will not copy or permit copying of Confidential Information. Your obligations under this Section begin when you sign this Franchise Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus an additional three years afterwards. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information.

All data you collect, create, provide or otherwise develop (including, but not limited to, customer information and customer lists) is (and will be) owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We license use of such data back to you, at no additional cost, solely for the Term of this Franchise Agreement and solely for your use in connection with the Franchised Business. You agree to provide us with the information we reasonably require regarding data and cybersecurity requirements. You agree to indemnify us for any loss of data, including, but not limited to, customer information resulting from a breach of such data caused, in whole or in part, by you.

The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney, and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed pursuant to a court order.

We do not make any representation or warranty that your use of the System and Confidential Information will not infringe on the patent, copyright or other proprietary rights of third parties. You agree that we will have no liability to you if the System and/or any Confidential Information is held not to be secret or confidential or in the event that any infringement of others' proprietary rights occurs because of your use of the System and Confidential Information.

### 17.5 Improvements

If you conceive of or develop any Improvements, you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval before using any such Improvements. Any Improvement we approve may be used by us and any third parties we authorize to operate a Franchised Business, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements we or other franchisees develop that we authorize for general use with the operation of a Franchised Business. These obligations shall survive the termination, expiration or Transfer of this Franchise Agreement.

### 17.6 Notification of Intellectual Property Issues

You must notify us as soon as possible, but no later than three business days of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding, or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

## 18. BRAND COVENANTS

### 18.1 Reason for Covenants

The covenants in this Section 18 shall be referred to as the “Brand Covenants.”

You acknowledge that the System is distinctive and has been developed by us and/or our affiliates at great effort, time and expense, and that the Intellectual Property and the training and assistance we provide would not be acquired except through implementation of this Franchise Agreement. You also acknowledge that competition by you, the Owners, or persons associated with you or the Owners (including family members) could jeopardize the entire System because you and the Owners have received an advantage through knowledge of our day-to-day operations and Confidential Information related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our System.

### 18.2 Unfair Competition During the Term

For purposes of this Franchise Agreement, “Competitive Business” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by the Franchised Business; or (ii) provides or offers to provide services the same as or similar to the type of services sold by you, but excludes

a Franchised Business operating under a franchise agreement with us. A Competitive Business shall not include ownership of up to five percent (5%) of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any business that otherwise would meet the definition of a Competitive Business.

You agree not to compete with us during the Term by engaging in any of the following activities (“Prohibited Activities”): (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in any Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing any customer of ours (or of one of our affiliates’ or franchisees’) to transfer their business to you or to any other person that is not then a franchisee of ours.

### 18.3 Unfair Competition After the Term

For purposes of this Section, the “Restricted Period” means a period of two years after the termination, expiration or Transfer of this Franchise Agreement. For purposes of this Section, the “Restricted Territory” means the geographic area within: (i) a 10-mile radius of the Premises; and (ii) a 10-mile radius from all other Boston’s Pizza restaurant locations that are operating or under construction as of the date of the termination, expiration or Transfer of this Franchise Agreement. In the event that the Restricted Territory is too broad to be enforceable, then it shall mean the geographic area within a 10-mile radius of the Premises.

During the Restricted Period, you agree that you will not engage in any Prohibited Activities within the Restricted Territory and that you will cause each of your Owners to not engage in any Prohibited Activities within the Restricted Territory. If you or any Owner engages in a Prohibited Activity within the Restricted Territory during the Restricted Period, then the Restricted Period applicable to you (and applicable to each non-compliant Owner under the Franchise ~~Owner~~Owners Agreement) will be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

### 18.4 Employees and Others

Any Franchise Manager and, if you are an Entity, any officer that does not own equity in you must sign our current System Protection Agreement. You must ensure that all of your employees, officers, directors, partners, members, independent contractors, and other persons associated with you or your Franchised Business who may have access to our Confidential Information, and who are not required to sign a System Protection Agreement, sign the Confidentiality Agreement before having access to our Confidential Information. You must use your best efforts to ensure these individuals comply with the terms of the Confidentiality Agreements and System Protection Agreements, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all expenses we incur in enforcing a Confidentiality Agreement or System Protection Agreement, including reasonable attorney fees and court costs.

### 18.5 Covenants Reasonable

The parties agree that of the Brand Covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. It is the parties’ intent that the provisions of this Section be

judicially enforced to the fullest extent permissible under applicable law. If all or any portion of any Brand Covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, you agree to be bound by any lesser covenant subsumed within the terms of such Brand Covenant that imposes the maximum duty permitted by law, as if the resulting Brand Covenant were separately stated in and made a part of this Section. Accordingly, the parties agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. You acknowledge and agree that: (i) the terms of this Franchise Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Boston's franchisees benefits you and the Owners because it prevents others from unfairly competing with your Franchised Business; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Franchise Agreement. You hereby waive any right to challenge the terms of the Brand Covenants as being overly broad, unreasonable or otherwise unenforceable.

We have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any Brand Covenant without your consent (before or after any dispute arises), effective when we give you written notice of this reduction and you agree to comply with any covenant as so modified.

#### **18.6 Breach of Covenants**

You agree that failure to comply with the terms of Brand Covenants will cause substantial and irreparable damage to us and/or other Boston's franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Section 18 will entitle us to injunctive relief. We may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). Notwithstanding the foregoing, if a court requires the filing of a bond, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us, at law or in equity, under this Franchise Agreement are mutually exclusive, and may be combined with others, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense or cause of action you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of the Brand Covenants.

### **19. INSURANCE**

Before your Franchised Business first opens for business, you will obtain insurance in the types and amounts specified in our Operations Manual. You will maintain all required insurance in force during the Term of this Franchise Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits and amounts as we may periodically require or which may be required under your lease. Your compliance with these insurance provisions does not relieve you of any liability under any indemnity provisions of this Franchise Agreement.

Our insurance requirements are subject to change during the Term of this Franchise Agreement, and you agree to comply with each such change. You agree to provide us a copy of your Certificate of Insurance or other proof of coverage before opening, within ten days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers rated "A-VIII" or better by A.M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business and otherwise acceptable to us. All insurance policies (except for employment liability

insurance policies) must be endorsed to: (i) name us, any affiliate we require, and our members, officers, directors and employees as additional insureds (“Additional Insureds”); (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30-days’ prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon ten days’ notice to you, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards, or other relevant changes in circumstances.

If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Franchise Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within ten days after invoicing, all costs and premiums we incur, plus a twenty percent (20%) administrative surcharge.

## **20. REPORTING REQUIREMENTS**

### **20.1 Books and Records**

You agree to record all transactions and Gross Sales of your Franchised Business in the manner we specify. You agree to prepare and maintain for at least seven years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Franchised Business including a list of all customers that your Franchised Business does business with and all contracts that your Franchised Business enters into. You must send us copies of your books, records, customer data and contracts within five days of our request. This obligation survives the expiration, termination or Transfer of this Franchise Agreement.

### **20.2 Reports**

You will prepare and submit other reports and information about your operations as we may request in writing or as required by the Operations Manual. You will submit all required reports in the formats and by the due dates specified in the Operations Manual. We may modify the deadline days and times for submission of all reports. If you do not submit any report by the due date, we will debit your Franchise Account a late fee of \$100 per occurrence and \$100 per week until you submit the required report. ~~These fees will be deposited into the Brand Fund.~~ We may require, in our sole discretion, that certain reports be certified as accurate and complete by you, your owners or your chief financial officer, and that they be submitted in certain methods or formats. If requested by us, your profit and loss statements and balance sheets must be certified by a certified public accountant at your expense. You must also make your certified public accountant available and cover the cost for him or her to consult with us concerning these statements and balance sheets.

### **20.3 Financial and Tax Statements**

You will deliver a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes prepared under generally accepted accounting principles applied on a consistent basis (“Financial Statements”) to us within the time period required by the Operations Manual. You must also prepare annual Financial Statements within 30 days of the end of your fiscal year. All Financial Statements must be in the form specified by us and must conform to our standard chart of accounts as prescribed by us. We have the

right to use such Financial Statements in our franchise disclosure document to make financial performance representations and to share these reports on a system-wide intranet or other similar means.

You must also provide us with complete signed copies of all state sales tax returns and state and federal income tax returns covering the operation of the Franchised Business within 30 days of filing. If you do not submit the Financial Statements or tax returns to us by the deadline, you will be required to pay a late fee of \$100 per occurrence and \$100 per week until you submit required Financial Statements or tax returns. ~~These fees will be deposited into the Brand Fund.~~

## 20.4 Legal Compliance

You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Franchised Business, and operate and manage your Franchised Business in full compliance with all applicable laws, ordinances, rules and regulations. You are solely responsible for complying with all federal, state and local tax laws, agree to timely pay all applicable federal, state and local taxes, and timely file all returns, notices and other forms required to comply with all federal, state and local tax laws in connection with the operation of the Franchised Business. It is your responsibility to make sure that you comply with all laws that are applicable to the Technology.

You must notify us in writing within three business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Franchised Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects a claim you have failed to fully comply with the law, rule or regulation.

You agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you certify, represent and warrant that none of your property or interests is subject to being blocked under, and that you and the owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, rules, regulations, policies, lists and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or the Owners, or any blocking of your or the Owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Franchise Agreement.

## 21. INSPECTION AND AUDIT

### 21.1 Inspections

To ensure compliance with this Franchise Agreement, we or our representatives will have the right to enter your Premises, evaluate your Franchised Business operations, and inspect or examine your books, records, accounts and tax returns. We may also interview personnel and customers of the Franchised Business. Our evaluation may include observing or participating during business hours. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Franchised Business, and you, your employees and independent contractors will cooperate and not interfere

with our inspection. You consent to us accessing your Technology and retrieving any information we deem appropriate in conducting the inspection.

If any such inspection indicates any deficiency or unsatisfactory condition, including quality, cleanliness, service, health and authorized product line, we will notify you in writing of your noncompliance with the System, Operations Manual, or this Franchise Agreement and you shall promptly correct or repair such deficiency or unsatisfactory condition. In addition, if you fail any food safety inspection, cleanliness inspection or other inspection or audit that we or our designee, any applicable restaurant association or any public health and safety agency conducts, you will be required to undergo an additional inspection or audit at your sole expense. You agree to reimburse us or the third-party auditor directly upon invoicing. We may require you to take, and you agree to take, immediate corrective action, which action may include temporarily closing the Franchised Business.

## 21.2 Audit

We have the right, at any time, to have an independent audit made of the books and financial records of your Franchised Business. You agree to fully cooperate with us and any third parties we hire to conduct the audit. Any audit will be performed at our cost and expense. However, you agree to reimburse us for the cost of the audit and inspection, including reasonable accounting, legal, travel and lodging expenses if the audit: (i) is necessitated by your failure to provide the information requested or to preserve records, or file reports as required by this Franchise Agreement; or (ii) reveals an understatement of any amount due to us by at least three percent (3%) in any week, in which case you must also pay any amount owed to us, including any related expenses and Late Fees. The audit cost reimbursements will be due ten days after invoicing. Accepting reimbursements for our audit costs does not waive our right to terminate this Franchise Agreement.

## 22. INDEMNITY

### 22.1 Your Indemnification of Us

Independent of your obligation to procure and maintain insurance, you and your Owners will indemnify, defend and hold us and our affiliates, the respective officers, directors, managers, partners, shareholders, members, employees, agents and contractors of these entities, and the successors, assigns, personal representatives, heirs and legatees of all of these persons or entities (collectively, the “Indemnified Parties”) harmless, to the fullest extent permitted by law, from and against all expenses, losses, payments or obligations to make payments either (i) to or for third party claimants by any and all Indemnified Parties, including refunds, or (ii) incurred by any and all Indemnified Parties to investigate, take action, respond to or defend a matter, including investigation and trial charges, costs and expenses, fees, fees paid to professionals, attorney fees, experts’ fees, court costs, settlement amounts, judgments and costs of collection (collectively, “Losses and Expenses”), incurred by any Indemnified Parties for any investigation, claim, action, suit, demand, administrative or alternative dispute resolution proceeding, actually or allegedly, directly or indirectly, relating to, arising out of, or resulting from or in connection with: any transaction, occurrence, product or service involving the Franchised Business or this Franchise Agreement; your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; your marketing, selling, or providing of items and services; and any breach of violation of any agreement (including this Franchise Agreement), or any law, regulation or ruling, by any act, error or omission (active or passive) of you, any party associated with you, or any of your or your affiliates’ owners, officers, directors, managers, employees, owners and agents, including when any of the Indemnified Parties is alleged or proven to be negligent.

You agree to give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorney fees, within ten days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorney fees.

## **22.2 Our Indemnification of You**

Provided that you are not in default under this Franchise Agreement or any other agreement with us, we will indemnify you and hold you harmless for, from and against any and all costs and expenses incurred by you as a result of or in connection with any claim asserted against you based upon the violation of any third party's intellectual property rights caused by your use of our Marks in strict compliance with the terms of this Franchise Agreement and Operations Manual. You must promptly notify us of any such claim and fully cooperate with us in the defense of such claim.

## **23. TERMINATION BY YOU**

You may terminate this Franchise Agreement if you are in full compliance, and we materially breach this Franchise Agreement and fail to cure the breach within 60 days after you send us a written notice specifying the nature of the breach. You may also terminate this Franchise Agreement if you and we mutually agree, in our sole discretion, which may be withheld, in writing to terminate this Franchise Agreement. In such an event, you and we will be deemed to have waived any required notice period. If you terminate this Franchise Agreement, you must still comply with your post-termination obligations described below and all other obligations that survive the expiration or termination of this Franchise Agreement.

## **24. TERMINATION BY US**

The rights to terminate the Franchise Agreement in the Section shall be referred to as our "Termination Rights."

### **24.1 Automatic Termination Without Notice**

You shall be in default under this Franchise Agreement, and we may automatically terminate all rights granted to you by this Franchise Agreement without notice if (i) you file or cause to be filed a petition in bankruptcy or you are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws); or (ii) you admit to your inability to meet your financial obligations as they become due, or make a disposition for the benefit of its creditors (unless prohibited by law); or (iii) a receiver or custodian (permanent or temporary) is appointed for any of your assets or property; or (iv) a final judgment in excess of \$10,000 against you remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment), except that we may provide you with additional time to satisfy the judgment if you demonstrate that you are using commercially reasonable efforts to resolve the issues related to the judgment.

### **24.2 Option to Terminate Without Opportunity to Cure**



We may, in our sole discretion, terminate this Franchise Agreement immediately upon written notice to you, without opportunity to cure, upon the occurrence of any of the following events, each of which constitute ~~material~~ events of default under this Franchise Agreement.

24.2.1 Failure to Open. If you fail to open your Franchised Business within the time period required.

24.2.2 Material Misrepresentation. If you or any Owner commits any fraud or makes any material misrepresentation to us, whether occurring before or after the Effective Date.

24.2.3 Violation of Law. If you fail, for a period of 10 days after having received notification of noncompliance from us or any governmental or quasi-governmental agency or authority, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business.

24.2.4 Criminal Offense. If you or any of your Owners, officers, directors, or key employees is convicted of or pleads guilty or nolo contendere to a felony or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect our reputation, the System, or the Marks. If the crime or offense is committed by an Owner other than a Responsible Owner, then we may, in our sole discretion, terminate if such Owner fails to sell its ownership interest in the Entity to any of the other Owners within 30 days after the conviction or guilty plea, whichever first occurs.

24.2.5 Under-Reporting. If an audit or investigation discloses that you have knowingly maintained false books or records, or submitted false reports to us, or knowingly understated its Gross Sales or withheld the reporting of same, or, if, on two or more occasions in any single 24 month period, any audits or other investigations reveals an under-reporting or under-recording error of two percent (2%) or more, or on any single occasion any audit or other investigation reveals an under-reporting or under-recording of five percent (5%) or more.

24.2.6 Intellectual Property Misuse. If you ~~materially~~ misuse or make any unauthorized use of the Marks or otherwise ~~materially~~ impair the goodwill of our rights, or you take any action which reflects ~~materially and~~ unfavorably upon the operation and reputation of the Franchised Business, the System, or the Boston's brand generally. If your employees or independent contractors engage in any of the same actions described above, unless you shall have exercised your best efforts to prevent such disclosures or use.

24.2.7 Health or Safety Violations. If you manage or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees or the public.

24.2.8 Abandonment. If you abandon or fail to operate your Franchised Business for three consecutive business days unless you had received our prior written authorization to do so.

24.2.9 Failure to Pay. If you fail to pay any amount owed to us or an affiliate of ours within ten days after receipt of a demand for payment.

24.2.10 Unauthorized Transfer. If you attempt to sell, Transfer, encumber or otherwise dispose of any interest in you, this Franchise Agreement or the Franchised Business in violation of Section 16 of this Franchise Agreement.

24.2.11 Brand Covenants. If you or any of your Owners violates any of the Brand Covenants.

24.2.12 License/Permits. If a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Franchised Business, even if you or the Owner still maintain appeal rights.

24.2.13 Failure to Complete Initial Training. If you or any required attendee fails to attend and complete the initial training program within the time period prescribed in this Franchise Agreement.

24.2.14 Repeated Defaults. If you commit a default of any obligation under this Franchise Agreement and have previously received two or more written notices of default from us within the preceding 12 months, regardless of whether any default is cured.

24.2.15 Cross Default. If we terminate any other agreement between you and us, or if any affiliate of ours terminates any agreement between you and the affiliate because of your default, except that termination of any area development agreement for failure to meet the development schedule shall not be grounds for termination.

24.2.16 Franchise ~~Owner~~ Owners Agreement Default. If any Owner, or the spouse of any Owner, breaches a Franchise ~~Owner~~ Owners Agreement.

24.2.17 Premises Issues. If: (i) ~~if~~ you fail to secure a fully executed lease within the time period required; ~~or~~ (ii) the Premises or your assets are seized, taken over or foreclosed by a government official in the exercise of its duties, or by a creditor or lienholder provided that a final judgment against you remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); ~~or~~ (iii) a levy of execution of attachment has been made upon the license granted by this Franchise Agreement or upon any property used in the Premises, and it is not discharged within five days of such levy or attachment; ~~or~~ (iv) you permit a mechanics lien to be recorded against the Premises or any equipment at the Premises which is not released within 60 days, or if any person commences any action to foreclose on the Premises or said equipment; ~~or~~ (v) a condemnation or transfer in lieu of condemnation has occurred; or (vi) ~~if~~ you default under the lease for your Premises and you do not cure the default within the cure period set forth by the landlord or your lease is otherwise terminated due to your default.

### 24.3 Termination with Notice and Opportunity to Cure

In addition to our Termination Rights, we may, in our sole discretion, terminate this Franchise Agreement upon 30 days' written notice if you or an Owner fails to comply with any other provision of this Franchise Agreement (including failure to comply with any provision in the Operations Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period, each of which shall constitute an event of default under this Franchise Agreement. If we deliver a notice of default to you pursuant to this Section, we may suspend performance of any of our obligations under this Franchise Agreement until you fully cure the breach.

## 25. LIQUIDATED DAMAGES

Upon termination of this Franchise Agreement: (i) by us due to your ~~material~~ default of this Franchise Agreement; or (ii) following your purported termination without cause, you agree to pay to us, within 15 days after the effective date of this Franchise Agreement's termination, in addition to any other amounts owed under this Franchise Agreement, liquidated damages equal to the average monthly Royalties and Brand Fund ~~Contribution~~ Contributions you owed during the total months of operation preceding the effective date of termination multiplied by: (i) 36; or (ii) the number of months remaining in this Franchise Agreement had it not been terminated, whichever is less, but in no case will such damages be less than \$30,000.



You and we acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Franchise Agreement's termination and the loss of cash flow from Royalties and Brand Fund Contributions due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalties and Brand Fund Contributions would have grown over what would have been this Franchise Agreement's remaining Term. You and we consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalties and Brand Fund Contributions. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Franchise Agreement other than the Royalty payments and Brand Fund Contributions. You agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the payment of Royalties and Brand Fund Contributions.

## **26. POST TERM OBLIGATIONS**

The obligations contained in this Section shall be referred to as your "Post Term Obligations." After the termination, expiration or Transfer of this Franchise Agreement, you agree to undertake each and every one of the obligations listed in this Section.

### **26.1 Cease Operations**

Immediately cease to be a franchise owner of the Franchised Business under this Franchise Agreement and cease to operate the Franchised Business under the System. You agree to not hold yourself out to the public as a present or former franchise owner of the Franchised Business.

### **26.2 Intellectual Property**

Immediately cease to use the Intellectual Property in any manner whatsoever and not use any trademarks or trade names that may be confusingly similar to the Intellectual Property. You acknowledge and agree that any continued use of the Marks would constitute trademark infringement.

### **26.3 Monetary Obligations**

Pay us all amounts you owe us and our affiliates.

### **26.4 Surviving Covenants**

Comply with all covenants described in this Section and otherwise in this Franchise Agreement that apply after the expiration, termination or Transfer of this Franchise Agreement or of an ownership interest by an Owner.

### **26.5 Branded Items**

Return all copies of the Operations Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms and any other materials bearing or containing any of the Marks, our copyrights or other identification relating to a Franchised Business, unless we allow you to Transfer such items to an approved transferee.

## 26.6 Technology and Data

Return all copies of any software we license to you (and delete all such software from your computer memory and storage), provide us the then-current customer list and contracts that your Franchised Business has entered into and transfer all login information and data from any Technology, social media accounts and email addresses from your Franchised Business.

## 26.7 Entity Name

Ensure that any names or registrations related to your use of the Marks are canceled.

## 26.8 Identifiers and Advertisements

Immediately stop using all telephone numbers, advertisements, domain names and social media accounts associated with the Franchised Business. Notify all telephone companies, listing agencies, social media companies and domain name registration companies (collectively, the “Agencies”) of the termination or expiration of your right to use the following, and immediately transfer to us: (A) the telephone numbers, accounts and/or domain names, if applicable, related to the operation of your Franchised Business; and (B) any online listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so).

## 26.9 Modifications

Remove all trade dress, equipment, software and property owned by us and make such modifications and alterations to the Premises that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party using any of the inventory, the Premises, Vehicles, equipment used in the operation of the Franchised Business; provided, however, that this subsection shall not apply if your Franchised Business is transferred to an approved transferee or if we exercise our right to purchase your entire Franchised Business. If you fail to do so, you must pay us any expenses we incur to de-identify your Premises.

## 26.10 Customers

We may contact customers of your Franchised Business and offer such customers continued rights to use one or more Boston’s franchises on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising or relating to those customers or act or failure to act by you or your Franchised Business.

## 26.11 Compliance Evidence

Provide us with written satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Franchise Agreement.

## 27. RIGHT TO PURCHASE

### 27.1 Generally

Upon the expiration or termination of this Franchise Agreement for any reason, we will have the right but not the obligation to purchase from you some or all of the assets used in the Franchised Business (“Acquired Assets”). We may exercise our option to begin this process by giving written notice to you at any time following expiration or termination up until 30 days after the later of: (a) the effective date of expiration or termination; or (b) the date you cease operating the Franchised Business (the “Specified Date”). We have the right to inspect the assets used in the Franchised Business in order to determine which we wish to acquire and any refusal by you to cooperate with our right to inspect will extend the Specified Date by an equal period. The term “Acquired Assets” means, without limitation, equipment, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Business, all licenses necessary to operate the Franchised Business (if transferable) and the real estate fee simple or the lease or sublease for the Premises. Customer information and customer lists are owned by us and accordingly are not included within the definition of “Acquired Assets” and must be returned to us without charge upon expiration or termination. You may not sell the information or lists to a third party. We will be entitled to have the provisions in this Section enforced by a court of competent jurisdiction should you fail to meet your obligations. We will have the unrestricted right to assign this option to purchase the Acquired Assets. We or our assignee will be entitled to all customary representations and warranties, including that the Acquired Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to us or affecting the Acquired Assets, whether contingent or otherwise.

### 27.2 Purchase Price

The purchase price for the Acquired Assets (“Purchase Price”) will be their fair market value (or, for leased assets, the fair market value of the lease), determined as of the Specified Date in a manner that accounts for reasonable depreciation and condition of the Acquired Assets; provided, however, that the Purchase Price will take into account the termination of this Franchise Agreement. The Purchase Price for the Acquired Assets will not factor in the value of any trademark, service mark, or other commercial symbol used in connection with the operation of the Franchised Business, nor any goodwill or “going concern” value for the Franchised Business. We may exclude from the Acquired Assets purchased in accordance with this Section any equipment, furnishings, fixtures, signs, and inventory that are not accepted as meeting then-current standards for a Franchised Business or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

If you and we cannot agree upon a fair market value, we shall appoint an independent, third-party appraiser with experience appraising businesses comparable to your Franchised Business in the United States (“Qualified Appraiser”) within 30 days after the Specified Date. We shall pay for fifty percent (50%) of the cost of this Qualified Appraiser, and you shall pay the other fifty percent (50%) of the cost.

The Qualified Appraiser shall appraise the Acquired Assets as described above (“Appraised Value”). If you agree with the Appraised Value, the Appraised Value shall be the Purchase Price. If you disagree with the Appraised Value, upon written notice to us, you may hire an additional Qualified Appraiser at your expense. In such situation, the Qualified Appraiser chosen by you shall appraise the Acquired Assets at fair market value determined as described above. The average of the two values provided by the Qualified Appraisers shall be the Purchase Price.

### 27.3 Access to Franchised Business

The Qualified Appraiser will be given full access to the Franchised Business, the Premises and your books and records during customary business hours to conduct the appraisal and will value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section.

### 27.4 Exercise of Option; Operation

Within 10 days after the Purchase Price has been determined, we may fully exercise our option to purchase the Acquired Assets by notifying you of our decision in writing (“Purchase Notice”). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase (“Closing”), which will take place no later than 60 days after the date of the Purchase Notice. From the date of the Purchase Notice until Closing:

~~You, you~~ will operate the Franchised Business and maintain the Acquired Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Franchise Agreement, ~~and during~~. During such time, we may exercise Step-in Rights, and be entitled to the Management Fee. Alternatively, we may require you to close the Franchised Business during that time period without removing any Acquired Assets from the Franchised Business.

### 27.5 Due Diligence

For a period of 30 days after the date of the Purchase Notice (“Due Diligence Period”), we will have the right to conduct such investigations as we deem necessary and appropriate. You will grant us and our representatives access to the Franchised Business and the Premises at all reasonable times for the purpose of conducting inspections of the Acquired Assets; provided that such access does not unreasonably interfere with your operations of the Franchised Business.

Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If you cannot or elect not to correct any such title defect, environmental objection or defect in the working condition of the Fixed Assets, we will have the option to either accept the condition of the Acquired Assets as they exist or rescind our option to purchase on or before the Closing.

### 27.6 Closing

We will have the right to set off against and reduce the Purchase Price by any and all amounts owed by you to us or our affiliates, and the amount of any encumbrances or liens against the Acquired Assets or any obligations assumed by us. If you cannot deliver clear title to all of the purchased Acquired Assets as indicated in this Section, or if there are other unresolved issues, the Closing will be accomplished through an escrow.

## 28. DISPUTE RESOLUTION

### 28.1 Mediation Requirement

Except for any “Litigation Exceptions” as defined below, without limiting our Termination Rights, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Franchise



Agreement, or any of the parties' respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to non-binding mediation ("Required Mediation") prior to a hearing in binding arbitration. Before commencing any mediation against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. Such mediation shall take place in the city closest to our principal place of business (currently Dallas, Texas) under the auspices of the American Arbitration Association ("AAA"), or other mediation service acceptable to us in our sole discretion, in accordance with AAA's Commercial Mediation Procedures then in effect. You may not commence any action against us or our affiliates with respect to any such claim unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. We reserve the right to specifically enforce our right to mediation.

## 28.2 Arbitration

If the parties cannot fully resolve and settle a dispute through Required Mediation, all unresolved issues involved in the dispute shall be, at the request of either party, submitted to final and binding arbitration to be conducted in the city closest to our principal place of business (currently Dallas, Texas) by AAA (if AAA or any successor thereto is no longer available for arbitration in such city, you and we will agree on another arbitration organization to conduct the arbitration proceeding), in accordance with AAA's Commercial Arbitration Rules and otherwise as set forth below on an individual basis (not a class action) ("Required Arbitration").

In any arbitration proceeding, each party will submit or file any claim that would constitute a compulsory counterclaim as defined by the Federal Rules of Civil Procedure within the same proceeding as the claim it relates to. Any claim that is not submitted or filed as required is forever barred. Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

28.2.1 Notice of Arbitration. Either party may initiate an arbitration proceeding by making a written demand to the other party, and both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by the applicable statute of limitations, and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Franchise Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary.

28.2.2 Selection of Arbitrator. Arbitration will be conducted before a single, neutral arbitrator who is familiar with legal disputes of the type at issue and who has franchise business or contract experience. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request AAA or successor organization, to appoint a qualified arbitrator.

28.2.3 Discovery. All discovery must be completed within 60 days following appointment of an arbitrator, unless otherwise agreed by the parties. Depositions will be limited to a maximum of five per party and will be held within 30 days after making a request. Additional depositions may be scheduled only with the permission of the arbitrator and for good cause shown. Each deposition will be limited to a maximum of six hours duration. Should a dispute arise over the extent of or propriety

of any discovery request, the arbitrator will make a final determination after hearing each party's position.

28.2.4 Statement of Case. At least five days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

28.2.5 Arbitrator's Decision. The arbitrator will issue a written decision within ten days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Franchise Agreement, including monetary damages and interest on unpaid amounts from date due, specific performance, injunctive and declaratory relief, and legal fees and costs, but will not have any authority to amend or modify the terms of this Franchise Agreement or to assess exemplary or punitive damages. Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

28.2.6 Time Schedule. Any award will be made within nine months of the filing of the notice of intention to arbitrate and the arbitrator will agree to comply with this schedule before accepting appointment. The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed-upon time schedule. The arbitrator will use his best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed-upon time schedule, subject to the arbitrator's approval.

28.2.7 Arbitration Expenses. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

### 28.3 Disputes Not Subject to Mediation or Arbitration

If any of the following exceptions occur, either party may immediately file a lawsuit in accordance with this Section without going through the Required Mediation or Required Arbitration (for purposes of this Franchise Agreement, the following shall be referred to as the "Litigation Exceptions"): (i) any action that involves an alleged breach of any Brand Covenant; (ii) any action petitioning specific performance to enforce your use of the Marks or the System or to prevent unauthorized duplication of the Marks or the System; (iii) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, or other relief in the nature of equity, including an action to enjoin an alleged violation or harm (or imminent risk of violation or harm) to any of our rights in the Intellectual Property, our copyrighted works, Marks, the System, or in any of our specialized training, trade secrets, or other Confidential Information, brought at any time, including prior to or during any pending mediation or arbitration proceedings; (iv) any action seeking compliance with the Post Term Obligations; or (v) any action in ejectment or for possession of any interest in real or personal property.

### 28.4 Venue

All disputes and claims must be mediated, arbitrated and, if applicable, litigated in the principal city (and, if applicable, court) closest to our principal place of business (currently Dallas, Texas); provided that

for claims brought under the Litigation Exceptions, we have the option to bring suit against you in any state or federal court within the jurisdiction where your Franchised Business is or was located, or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum, and waives any bond, surety, or other security that might be required of any other party with respect to venue.

#### **Fees and Costs**

If you breach any term of this Franchise Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys' fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings.

If we or you must enforce this Franchise Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable fees for accountants, attorneys, and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses.

If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has substantially prevailed over the other party using reasonable business and arbitrator's judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expenses that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys' fees as described in this Section.

#### **Jury Trial and Class Action Waiver**

WE AND YOU IRREVOCABLY WAIVE: (I) TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRING SUIT; AND (II) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

#### **28.7 Limitation of Actions and Waiver of Punitive Damages**

We and you agree that any legal action of any kind by a party arising out of or relating to this Franchise Agreement or a default of this Franchise Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Franchise Agreement or to the Litigation Exceptions. You and we, for yourselves, ourselves and on behalf of the Owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive or exemplary damages against the other, and agree that except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

### ~~28.7~~28.8 Confidentiality

Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire mediation, arbitration or litigation proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

### ~~28.8~~28.9 Acknowledgment

The parties acknowledge that nothing herein shall delay or otherwise limit our Termination Rights. A notice or request for arbitration or mediation will have no effect on the status of any demand for performance or notice of termination under this Franchise Agreement.

### ~~28.9~~28.10 Survival

We and you agree that the provisions of this Section shall apply during the Term of this Franchise Agreement and following the termination, expiration, Transfer or non-renewal of this Franchise Agreement. You agree to fully perform all obligations under this Franchise Agreement during the entire mediation, arbitration or litigation process.

## 29. SECURITY INTEREST

You grant to us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage and real estate (including your interests under all real property and personal property leases and all improvements to real estate) of the Franchised Business, together with all similar property now owned or hereafter acquired, including additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the Franchised Business.

You are prohibited from granting a security interest in the Franchised Business or in any of your assets without our prior written consent, which shall not be unreasonably withheld. We may take a subordinate position in the security interest if a Small Business Administration-participating or third-party lender requires a first or senior lien, and the appropriate subordination documentation is executed by all parties. This security interest shall be security for any and all Royalties, damages, expenses or other sums owed to us hereunder and for any other amounts you owe to us. You agree to execute any documents, including but not limited to, a UCC-1 (or replacements or extensions for the UCC-1) that we reasonably believe to be necessary to perfect said security interest prior to the opening of the Franchised Business, and hereby appoint us as its attorney-in-fact for the purpose of executing such documents should you fail to do so. Except with respect to your sales of inventory in the ordinary course of business, you shall not sell, transfer, lease, sublease, assign, remove, waste, destroy, encumber or relocate any of the property described herein as subject to our security interest. Further, you shall take no other action which interferes with our security interest in said property, unless and until we release our security interest in the same.

## 30. YOUR REPRESENTATIONS

You hereby represent that: (i) you are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances; and (ii) you are aware of the fact that we may have negotiated terms or offered concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

You acknowledge that we maintain a staff to manage and operate the Boston's System and that staff members can change as employees come and go. You acknowledge that you did not sign this Franchise Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

## 31. GENERAL PROVISIONS

### 31.1 Governing Law

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Franchise Agreement and the franchise relationship shall be governed by the laws of the State of Texas (without reference to its principles of conflicts of law), but any law of that State that regulate the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

### 31.2 Relationship of the Parties

You understand that you are an independent contractor and are not authorized to make any contract, agreement, warranty or representation or create any obligation on our behalf under this Franchise Agreement. You understand and agree that nothing in this Franchise Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Franchised Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Franchise Agreement. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

### 31.3 Severability and Substitution



Each section, subsection, term and provision of this Franchise Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Franchise Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Franchise Agreement. If a court concludes that any promise or covenant in this Franchise Agreement is unreasonable and unenforceable, including without limitation, the Brand Covenants: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Franchise Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions.

#### 31.4 Waivers

We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall apply only to the specifically waived provisions and shall not affect any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Franchise Agreement (including the right to demand exact compliance with every term, condition and covenant in this Franchise Agreement, or to declare any breach of this Franchise Agreement to be a default, and to terminate the Franchise Agreement before the expiration of its Term) by virtue of: (i) any custom or practice of the parties that varies with the terms of this Franchise Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Franchise Agreement or to insist upon exact compliance by the other with its obligations under this Franchise Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other “Boston’s” franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Franchise Agreement.

#### 31.5 Approvals

Whenever this Franchise Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Franchise Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have denied your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. Except where this Franchise Agreement states that we may not unreasonably withhold our approval or consent, we may withhold such approval or consent, in our sole discretion. You are not entitled to any other relief or damages for our denial of approval.

#### 31.6 Force Majeure

No party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any failure or delay in the fulfilment its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is due to “Force Majeure” (defined below). In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent each party, respectively, is prevented or delayed in performing its obligations during the period of Force Majeure. As used in this Franchise Agreement, the term “Force Majeure” shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party’s control and cannot be overcome by use of normal commercial measures. The party whose

performance is affected by an event of Force Majeure shall give prompt notice of such event to the other party, which in no case shall be more than 48 hours after the event, and provide them with the information regarding the nature of the event and its estimated duration. The affected party will provide the other party with periodic reports regarding the status and progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Franchise Agreement.

Upon completion of a Force Majeure event, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance (other than payment of money), in whole or in part, only to the extent reasonable under the circumstances. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by thirty (30) days prior written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

### 31.7 Delegation

We have the right in our sole and absolute discretion to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted the performance of any portion or all of our obligations under this Franchise Agreement, and any right that we have under this Franchise Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Franchise Agreement.

### 31.8 Binding Effect

This Franchise Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Agreement is binding upon the parties to this Franchise Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Franchise Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement; provided, however, that the Additional Insureds and the Indemnified Parties are intended third party beneficiaries under this Franchise Agreement with respect to indemnification obligations of the franchisee.

### 31.9 Integration

This Franchise Agreement constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Franchise Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Franchise Agreement. The attachment(s) are part of this Franchise Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Franchise Agreement. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. As referenced above, all mandatory provisions of the Operations

Manual are part of this Franchise Agreement; however, notwithstanding the foregoing, we may modify the Operations Manual at any time.

Agreements between the parties are not enforceable, unless they are specifically contained in this Franchise Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, and serves to show that there is no intention to enter into contract relations other than the terms contained in this Franchise Agreement. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Franchise Agreement, would affect the economic terms of this bargain. Nothing in this Franchise Agreement is intended to disclaim any of the representations we made in the franchise disclosure document.

### 31.10 Covenant of Good Faith

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may favorably or adversely affect your interests; (ii) we will use our judgment in exercising that discretion based on our general assessment of our own interests and balancing those interests against the general interests of our franchisees (including ourselves and our affiliates if applicable), and not based on your or any other franchisee's specific individual interests; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

### 31.11 Cumulative Rights

The rights of the parties under this Franchise Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Franchise Agreement will preclude any other right or remedy available under this Franchise Agreement or by law.

### Survival

All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Franchise Agreement (or the Transfer of an ownership interest in the Franchised Business) will continue in full force and effect, even after the termination, expiration or Transfer of the Franchise Agreement, until they are fully satisfied or expire by their own terms.

### Construction

The headings in this Franchise Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Franchise Agreement unless otherwise specified. All references to days in this Franchise Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Franchise Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other, the feminine and the possessive.

**Time is of the Essence**

Time is of the essence in this Franchise Agreement and every term thereof.

**Notice**

All notices given under this Franchise Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient), or ~~certified~~priority mail or delivered by a recognized courier service, ~~receipt acknowledged~~delivery confirmation, to the following addresses (which may be changed upon ten business days' prior written notice):

You: As set forth on Attachment A ("Franchisee Notice Address")

Us: 14850 Quorum Drive, Suite 201, Dallas, Texas 75254

Notice shall be considered given at the time delivered by hand, or one business day after sending by ~~fax~~a reputable overnight delivery service, email or comparable electronic system, or three business days after placed in the mail, ~~postage prepaid~~, by ~~certified~~priority mail with a ~~return receipt requested~~delivery confirmation.

(Signature Page Follows)

The parties to this Franchise Agreement have executed this Franchise Agreement effective as of the Effective Date set forth in Attachment A.

**FRANCHISOR:**

**Boston Pizza Restaurants, LP**

a Delaware limited partnership

By its general partner  
~~BRBPR~~ GP, Inc.  
a Delaware corporation

By: \_\_\_\_\_  
Name: Jeffrey Melnick  
Title: President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Jason Snavely  
Title: Secretary  
Date: \_\_\_\_\_

**FRANCHISEE:**

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

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

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

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

Or if Franchisee is an individual(s)

\_\_\_\_\_  
\_\_\_\_\_  
Sign: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Sign: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Sign: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_



**ATTACHMENT A**  
**TO THE BOSTON'S FRANCHISE AGREEMENT**

**FRANCHISE DATA SHEET**

1. **Effective Date.** The Effective Date of the Franchise Agreement is: \_\_\_\_\_, 20\_\_.
2. **Franchisee.** The franchisee identified in the introductory paragraph of the Franchise Agreement is: \_\_\_\_\_
3. **Notice Address.** Franchisee Notice Address is:

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. **Initial Franchise Fee.** The “Initial Franchise Fee” is: (check one):  
  
 \$50,000 for a single Franchise.  
  
 Not applicable; this Franchise Agreement is signed as a Successor Franchise Agreement or as a result of a Transfer.  
  
 Not applicable; this Franchise Agreement is being signed under an area development agreement between Franchisee and Franchisor and no Initial Franchise Fee is due. This Franchise Agreement constitutes franchise number \_\_\_\_ out of a total of up to \_\_\_\_ franchises under the area development agreement between you and us dated \_\_\_\_\_, 20\_\_.

5. **Franchise Territory:** (check one)  
  
 The Franchised Business will be operated in a Metropolitan Area and will not have a Franchise Territory.  
  
 The Franchised Business will be operated from a Non-Traditional Location and will not have a Protected Area. You will be required to sign a Non-Traditional Location addendum (in the form attached to the Franchise Disclosure Document in Exhibit H).  
  
 Subject to final approval of the location of the Franchised Business, the parties intend that the Franchised Business will have a Franchise Territory, which shall be set forth in Attachment A-1. We will present you with the Franchise Territory upon the identification of the site for the Franchised Business. If you do not wish to accept the Franchise Territory, you may choose another site location and we will present you with another Franchise



Territory based on the site selected.

\_\_\_\_\_ You and we have mutually agreed upon a Franchise Territory indicated below. You acknowledge that the Franchise Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

6. **Location.** If a particular site for the Premises has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered in Attachment A-1 as the Premises location, and the Franchise Territory shall be as listed in Attachment A-1, if applicable. If a particular site has not been selected and approved at the time of the signing of this Franchise Agreement, once we have approved a location for your Premises, you and we will execute Attachment A-1.

*(Signature Page Follows)*

**FRANCHISOR:**

**Boston Pizza Restaurants, LP**  
a Delaware limited partnership

By its general partner  
**BRBPR GP, Inc.**  
a Delaware corporation

By: \_\_\_\_\_  
Name: Jeffrey Melnick  
Title: President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Jason Snavely  
Title: Secretary  
Date: \_\_\_\_\_

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

**FRANCHISEE:**

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

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

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

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

\_\_\_\_\_

Or if Franchisee is an individual(s)

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

Sign: \_\_\_\_\_

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

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

\_\_\_\_\_

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

Sign: \_\_\_\_\_

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

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

\_\_\_\_\_

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

Sign: \_\_\_\_\_

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

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

\_\_\_\_\_





**ATTACHMENT A-1 TO THE BOSTON'S FRANCHISE AGREEMENT**

**PREMISES, TERRITORY AND DELIVERY AREA**

You have received approval for site location for the Premises that satisfies the demographics and location requirements minimally necessary for a Premises and that meets our minimum current standards and specifications for the buildout, interior design, layout, floor plan, signs, designs, color and décor of a Premises. You and we have mutually agreed upon a Franchise Territory based on the site for the Premises which is indicated below. You acknowledge that the Franchise Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Location for the Premises:

The Premises for your Franchised Business as provided in Section 2 of the Franchise Agreement is:

Franchise Territory (select one):

Not applicable. You will operate your Franchised Business at a Non-Traditional Location or within a Metropolitan Area and shall not receive a Franchise Territory.

You and we have mutually agreed upon a Franchise Territory based on the site for the Premises which is indicated below:

*(Signature Page Follows)*

**FRANCHISOR:**

**Boston Pizza Restaurants, LP**  
a Delaware limited partnership

By its general partner  
**BRBPR GP, Inc.**  
a Delaware corporation

By: \_\_\_\_\_  
Name: Jeffrey Melnick  
Title: President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Jason Snavely  
Title: Secretary  
Date: \_\_\_\_\_

**FRANCHISEE:**

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

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

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

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

Or if Franchisee is an individual(s)

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

Sign: \_\_\_\_\_

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

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

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

Sign: \_\_\_\_\_

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

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

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

Sign: \_\_\_\_\_

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

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



**ATTACHMENT B TO THE BOSTON'S FRANCHISE AGREEMENT**  
**STATEMENT OF OWNERSHIP**

Franchisee: \_\_\_\_\_

**Form of Ownership  
(Check One)**

\_\_\_ Individual(s) \_\_\_ Partnership \_\_\_ Corporation \_\_\_ Limited Liability Company

**INSTRUCTIONS:** If the franchisee is an individual (or individuals), please complete section I below only. If the franchisee is a business entity, please complete sections II and III below.

**SECTION I (For Individual(s)\*):**

Name	Address

\*If you plan to operate your Franchised Business through a business entity in the future, you will need to notify us, transfer this Franchise Agreement to the Entity, and sign all of our transfer documents.

**SECTION II (For Entities):**

**A. State and date of Formation/Incorporation:** \_\_\_\_\_

**B. Management (managers, officers, board of directors, etc.):**

Name	Title

**C. Owners (Members, Stockholders, Partners)\*\*:**

Please include each person or entity who is a direct and indirect owner of franchisee (attach additional sheets if necessary). If any of the owners are also business entities, please list the entities and owners of each of those business entities also.



Name	Address	Percentage Owned

\*\*If any members, stockholders or partners are entities, please list the entities and owners of such entities up through the individuals.

**SECTION III (For Entities):**

**A. Identification of Responsible Owner.** Your Responsible Owner as of the Effective Date is \_\_\_\_\_ is \_\_\_\_\_  
 You may not change the Responsible Owner without prior written approval.

**B. Identification of Franchise Manager.** Your Franchise Manager, if applicable, as of the Effective Date is \_\_\_\_\_. You may not change the Franchise Manager without prior written approval.

This form is current and complete as of \_\_\_\_\_, 20\_\_.

**FRANCHISEE:**

\_\_\_\_\_  
 a(n) \_\_\_\_\_

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

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

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

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



## ATTACHMENT C TO THE BOSTON'S FRANCHISE AGREEMENT

### FRANCHISE ~~OWNER~~OWNERS AGREEMENT

As a condition to the granting by Boston Pizza Restaurants, LP (“we” or “us”) of a franchise agreement with \_\_\_\_\_ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“~~Franchise Owner~~Owners Agreement”).

#### **1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_\_, 20\_\_ (“Franchise Agreement”). Capitalized words not defined in this ~~Franchise Owner~~Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Owners’ Role. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this ~~Franchise Owner~~Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this ~~Franchise Owner~~Owners Agreement.

#### **2. Non-Disclosure and Protection of Confidential Information.**

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this ~~Franchise Owner~~Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this ~~Franchise Owner~~Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this ~~Franchise Owner~~Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this ~~Franchise Owner~~Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.



### 3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration, termination or transfer of the Franchise Agreement are hereby incorporated into this Franchise ~~Owner~~Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Franchise ~~Owner~~Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Franchise ~~Owner~~Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Franchise ~~Owner~~Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to remain bound to the maximum extent permitted by law, as if that covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Franchise ~~Owner~~Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

### 4. Continuing Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (i) Franchisee's failure to pay the amounts owed (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (ii) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we are not obligated to exhaust all remedy (whether legal or equitable) against or pursue relief from the Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Franchise ~~Owner~~Owners Agreement. The enforcement of Owners' obligations can take place before, after, or simultaneously with the enforcement of any of the Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (a) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Franchise Owner Agreement or the obligations; or (vi) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Franchise Owners Agreement.

**5. Transfers.** Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that attempting to Transfer an interest in the Franchisee without our express written consent, except those situations provided in the Franchise Agreement where our consent is not required, will be a ~~material~~ breach of this Franchise ~~Owner~~ Owners Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Owners Agreement to the same extent as if such assignee or transferee were us.

## **6. Notices.**

6.1 Method of Notice. Any notices given under this Franchise ~~Owner~~ Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Franchise ~~Owner~~ Owners Agreement is:

Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254



The current address of each Owner for all communications under this Franchise ~~Owner~~Owners Agreement is designated on the signature page of this Franchise ~~Owner~~Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

## **7. Enforcement of This Franchise ~~Owner~~Owners Agreement.**

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Franchise ~~Owner~~Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Franchise ~~Owner~~Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Franchise ~~Owner~~Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Franchise ~~Owner~~Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law, jurisdiction, and venue provisions of the Franchise Agreement.

7.3 Equitable Remedies. Owners acknowledge and agree that the covenants and obligations of the Owners relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause us irreparable injury for which adequate remedies are not available at law. Therefore, Owners agree that we shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Owners from committing any violation of the covenants and obligations contained in this Franchise ~~Owner~~Owners Agreement. If equitable relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If equitable relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## **8. Miscellaneous.**

8.1 No Other Agreements. This Franchise ~~Owner~~Owners Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Franchise ~~Owner~~Owners Agreement, other than those in this Franchise ~~Owner~~Owners Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Franchise ~~Owner~~Owners Agreement may be implied into this Franchise ~~Owner~~Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Franchise ~~Owner~~Owners Agreement), no amendment, change, or variance from this Franchise ~~Owner~~Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Franchise ~~Owner~~Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Franchise ~~Owner~~Owners Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Franchise ~~Owner~~Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent with the original intent of the parties (i.e., to provide maximum protection for us

and to effectuate the Owners' obligations under the Franchise Agreement to the fullest extent permitted by law), and the parties agree to be bound by the modified provisions.

8.3 No Third—Party Beneficiaries. Nothing in this Franchise ~~Owner~~Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Franchise ~~Owner~~Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Franchise ~~Owner~~Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Franchise ~~Owner~~Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Franchise ~~Owner~~Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Franchise ~~Owner~~Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise ~~Owner~~Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Continuing Nature of this Owners Agreement. This Owners Agreement shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the obligations under the Franchise Agreement at any time; (2) the validity or invalidity of any of the terms of the Owners Agreement; (3) the existence or non-existence of Franchisee as a legal entity; (4) any statute of limitations affecting the liability of Owners or the ability of us or our successors or assigns to enforce this Owners Agreement; (5) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (6) the execution of an owners agreement or any other form of guaranty by any additional direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (7) any right of offset, counterclaim or defense of any Owner; or (8) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you and us.

8.7 Successors. References to “Franchisor,” “Owners,” “the undersigned,” or “you” include the respective parties’ heirs, successors, assigns, or transferees.

8.8 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Franchise ~~Owner~~Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Franchise ~~Owner~~Owners Agreement shall be cumulative.

8.9 No Personal Liability. Owners agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Franchise ~~Owner~~Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Owners for any reason.

8.10 Franchise ~~Owner~~Owners Agreement Controls. In the event of any discrepancy between this Franchise ~~Owner~~Owners Agreement and the Franchise Agreement, this Franchise ~~Owner~~Owners Agreement shall control.

*(Signature Page Follows)*





**IN WITNESS WHEREOF**, the parties have entered into this Franchise ~~Owner~~Owners Agreement as of the Effective Date of the Franchise Agreement.

**OWNER(S):**

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_  
\_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Rev.030824



**EXHIBIT D**

**AREA DEVELOPMENT AGREEMENT**



**Location:** \_\_\_\_\_

**Location No.** \_\_\_\_\_

**Entity Name:** \_\_\_\_\_

**Effective Date:** \_\_\_\_\_



**BOSTON PIZZA RESTAURANTS, LP  
AREA DEVELOPMENT AGREEMENT**



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ATTACHMENTS:

- Attachment A Data Sheet
- Attachment B Development Schedule
- Attachment C Statement of Ownership
- Attachment D Area Developer ~~Owner~~ Owners Agreement



# BOSTON'S RESTAURANT

## AREA DEVELOPMENT AGREEMENT

**THIS AREA DEVELOPMENT AGREEMENT** ("Area Development Agreement") is made and entered into by and between Boston Pizza Restaurants, LP, a Delaware limited partnership ("we," "us," or "our"), and the area developer identified in Attachment A to this Area Development Agreement ("you" or "your") as of the date specified as the "Effective Date" in Attachment A to this Area Development Agreement. If more than one person or entity is listed as Area Developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Area Development Agreement.

### WITNESSETH:

**WHEREAS**, we offer franchise rights relating to the establishment, development and operation of businesses ("Boston's Restaurant Franchise(s)") that operate a business providing gourmet pizza and pasta dishes, and a wide variety of mouth-watering entrees, appetizers, fresh salads, sides and desserts ("Boston's Restaurant Business(es)").

**WHEREAS**, you desire to purchase an option to establish and operate multiple Boston's Restaurant Franchises within the territory described in Attachment A ("Development Territory"), under the development schedule described in Attachment B ("Development Schedule") and pursuant to the terms and conditions of this Area Development Agreement.

**NOW, THEREFORE**, in consideration for the promises, rights and obligations set forth in this Area Development Agreement, the parties mutually agree as follows.

## **1. GRANT**

1.1 We hereby grant to you the right to establish and operate the number of Boston's Restaurant Franchises indicated in Section 1 of Attachment B within the Development Territory described in Attachment A. Each Boston's Restaurant Franchise shall be operated according to the terms of our then-current form of individual franchise agreement. You acknowledge and agree that our then-current form of individual franchise agreement may contain materially different terms from one another and from the franchise agreement included in our current franchise disclosure document including, but not limited to, a higher royalty rate.

1.2 If you comply with the terms of this Area Development Agreement, including the Development Schedule, the individual franchise agreements entered into as a part of this Area Development Agreement, and any other agreements entered into with us or our affiliates, then we will not directly or indirectly cause or allow other Boston's Restaurant Franchises to be franchised or licensed in the Development Territory during the Term of this Area Development Agreement, subject to limited exceptions. You acknowledge that the Development Territory may already include existing Boston's Restaurant Franchises, and that you may not develop a Boston's Restaurant Franchise that infringes on the territorial rights of existing Boston's Restaurant Franchises. We and our affiliates have the right to operate, and to license others to operate, Boston's Restaurant Businesses at any location outside the Development Territory, even if doing so could affect your operation of any of your Boston's Restaurant Businesses.

Additionally, Boston's Restaurant locations that are considered Non-Traditional Locations are excluded from the Development Territory, and we reserve the right to develop, franchise or license others



to develop these Boston's Restaurant Businesses in these Non-Traditional Locations located within the physical boundaries of the Development Territory. A "Non-Traditional Location" means a location other than a standard brick and mortar retail location such as (but not limited to) toll roads, train stations, amusement parks and all properties controlled by the amusement park, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools, hospitals, military and other governmental facilities, office or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

We and our affiliates, and any other authorized person or entity (including any other Boston's Restaurant Franchise), reserve the right at any time, conduct any other type of activities within your Development Territory that we and our affiliates are permitted to conduct under this Area Development Agreement and under all franchise agreements you enter into with us. We also retain the right, for ourselves, our affiliates, and any other authorized person or entity (including any other Boston's Restaurant Franchises), to act in the manner permitted in any franchise agreement.

We reserve all rights not expressly granted to you, including the right for ourselves and our affiliates to engage in any other business activities not expressly prohibited by this Area Development Agreement. This includes, but is not limited to, the right to:

(a) to own, franchise or operate Boston's Restaurant Businesses at any location outside of the Development Territory or at any or all Non-Traditional Locations within your Development Territory, regardless of the proximity to your Boston's Restaurant Businesses, even if doing so will or might affect your development of Boston's Restaurant Businesses;

(b) to use the Boston's Restaurant trademarks (the "Marks") and system (the "System") to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Development Territory (even if these businesses compete with you). This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

(c) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering products or services similar to those offered by Boston's Restaurant Businesses, at any location, including within the Development Territory, which may be similar to or different from the Boston's Restaurant Business(es) operated by you;

(d) to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly with your Boston's Restaurant Business, whether located inside or outside the Development Territory, provided that any businesses located inside your Development Territory will not operate under the Marks; and

(e) to implement multi-area marketing programs, which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.



We are not required to pay you if we exercise any of the rights specified above within the Development Territory. We do not pay compensation for soliciting or accepting orders inside the Development Territory; including orders accepted or solicited by other Boston's Pizza franchisees. You agree that you may face competition from us, from other franchisees and from other channels of distribution or competitive brands that we control within the Development Territory.

Upon the expiration or termination of this Area Development Agreement, you shall have no further right to construct, equip, own, open or operate additional Boston's Restaurant Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between you (or an affiliate of you) and us, which is then in full force and effect.

1.3 This Area Development Agreement is not a franchise agreement and does not grant you the right to use the Marks or System in any manner. Each Boston's Restaurant Franchise will be governed by the individual franchise agreement signed by you or your affiliate and us for each Boston's Restaurant Business.

1.4 You must own at least a 51% equity interest in any legal entity that develops or operates each Boston's Restaurant Business developed under this Area Development Agreement. You shall identify all of your equity Owners by completing the "Statement of Ownership" attached to this Area Development Agreement as Attachment C. You agree to execute an updated form of Attachment C within ten business days of any change in the equity ownership of you. The failure of you to provide us with an updated Attachment C within the time frame specified in this Section 1.4 shall constitute a ~~material~~-default of this Area Development Agreement.

1.5 For purpose of this Area Development Agreement, "Owner(s)" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you or this Area Development Agreement. If you are a corporation, partnership, limited liability company or other form of business entity ("Entity"), you agree and represent that all Owners and their spouses must sign the Area Developer ~~Owner~~Owners Agreement, attached as Attachment D to this Area Development Agreement.

## **2. TERM**

Unless it is terminated due to default as provided in Section 8, the term of this Area Development Agreement will expire on the earlier to the following: (a) the termination date listed on Section 2 of Attachment B; or (b) completion of the obligations of the Development Schedule. Upon expiration or termination of this Area Development Agreement, the only territorial protections that you will retain are those under each individual franchise agreement. During the term of this Area Development Agreement (and following termination of this Area Development Agreement), you shall be subject to all confidentiality and non-compete provisions contained in any franchise agreements, ~~owner~~owners agreements and similar agreements you have signed with us or our affiliates.

## **3. DEVELOPMENT FEE**

You must pay us the total "Development Fee" set forth in Attachment A upon execution of this Area Development Agreement. The Development Fee is uniformly calculated, payable when you sign this Area Development Agreement, and is non-refundable under any circumstances, even if you fail to open any Boston's Restaurant Businesses.



#### 4. MANNER FOR EXERCISING DEVELOPMENT RIGHTS

In order to exercise your development rights under this Area Development Agreement, you must enter into separate franchise agreements for each Boston's Restaurant Franchise to be developed under this Area Development Agreement. All subsequent Boston's Restaurant Franchises developed under this Area Development Agreement shall be established and operated pursuant to the form of franchise agreement and ancillary documents then being used by us for a Boston's Restaurant Franchise. You acknowledge that the then-current form of franchise agreement may differ from the form of franchise agreement disclosed to you under our current Franchise Disclosure Document. You may not exercise any development rights under this Area Development Agreement while you are in default of any other agreement with us, including any franchise agreement.

#### 5. DEVELOPMENT SCHEDULE

5.1 Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4 and according to the Development Schedule set forth in Attachment B, which designates the number of franchise agreements that must be executed prior to the expiration of each of the designated development periods ("Development Periods") for the operation of Boston's Restaurant Franchises in the Development Territory.

5.2 During any Development Period, you may, with our prior written consent, develop more than the number of Boston's Restaurant Businesses than you are required to develop during that Development Period by executing multiple franchise agreements during a single Development Period. Any franchise agreements executed during a Development Period in excess of the minimum number to be executed prior to expiration of that Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period. You are not permitted to develop more than the total number of Boston's Restaurant Franchises permitted under the Development Schedule.

5.3 You shall open each Boston's Restaurant Business in accordance with the terms of the franchise agreement and shall execute the franchise agreements in accordance with the Development Schedule set forth in Attachment B.

5.4 ~~Your first failure to adhere to the Development Schedule shall result in a loss of the territorial rights granted in this Area Development Agreement. Failure by you to adhere to the Development Schedule on two or more occasions shall constitute a material~~ an event of default under this Area Development Agreement, for which we may exercise our rights under Section 8.1 of this Area Development Agreement.

5.5 If we are not legally able to deliver a Franchise Disclosure Document to you by reason of any lapse or expiration of our franchise registration, or because we are in the process of amending any such registration, or for any reason beyond our reasonable control, we may delay acceptance of the site for your proposed Boston's Restaurant Franchise, or delivery of a franchise agreement, until such time as we are legally able to deliver a Franchise Disclosure Document. Your Development Schedule would be equally extended by such delay.

#### 6. LOCATION OF BOSTON'S RESTAURANT BUSINESSES

The location of each Boston's Restaurant Business shall be selected by the you and approved by us in accordance with the terms set forth in each franchise agreement signed by you, within the Development Territory.



## 7. FRANCHISE AGREEMENT

You shall not commence construction on or open any Boston's Restaurant Business until, among other things, the individual franchise agreement for that Boston's Restaurant Franchise has been signed by both you and us.

## 8. DEFAULT AND TERMINATION

8.1 You will be in default of this Area Development Agreement if you (or your affiliate(s)): (a) fail to comply with the Development Schedule ~~on two or more occasions~~; (b) fail to perform any of your obligations under this Area Development Agreement or any individual franchise agreement; or (c) fail to comply with the transfer provisions contained in this Area Development Agreement. Upon default, we shall have the right, at our option, and in our sole discretion, to do any or all of the following:

- (a) terminate this Area Development Agreement;
- (b) terminate the territorial exclusivity granted to you;
- (c) reduce the size of your Development Territory;
- (d) permit you to extend the Development Schedule; or

(e) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance.

8.2 Upon the death or Permanent Disability (as defined below) of you or any equity owner of you (if you are an ~~entity~~Entity) or of your Responsible Owner (as defined below), we shall allow a period of up to 180 days after such death or Permanent Disability for his or her heirs, personal representatives or conservators (the "Heirs") to seek and obtain our consent to the assignment of his or her rights and interests in this Area Development Agreement (or the assignment of his or her equity and voting power) to another equity owner or third-party approved by us. If, within said 180-day period, said Heir(s) fail to receive our consent or to effect such consent to assignment, then we shall have the right to immediately terminate this Area Development Agreement. We may withhold or grant such consent in our sole discretion. For purposes of this Section 8.2, a "Permanent Disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Area Development Agreement or in the guaranty made part of this Area Development Agreement for at least 90 consecutive days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, a licensed practicing physician selected by us will examine the person and determine if he or she has a Permanent Disability. If the person refuses to submit to an examination, such person shall automatically be deemed Permanently Disabled as of the date of such refusal for the purpose of this Section 8.2. The costs of any examination required by this Section 8.2 shall be paid by us. Upon the death or claim of Permanent Disability of you or any Responsible Owner, you or your representative must notify us of such death or claim of Permanent Disability within 15 days. The Heirs must request our approval for the right to transfer to the next of kin within 120 calendar days after the death or disability. The "Responsible Owner" means the individual that you designate, and we approve who is primarily responsible for communicating with us about any of your Boston's Restaurant Business(es) and all matters related to this Area Development Agreement.



In addition, if any individual franchise agreement signed by you or your affiliate, whether or not signed under to this Area Development Agreement, is terminated for any reason, we shall have the right to terminate this Area Development Agreement on immediate written notice to you. Upon termination or expiration of the term of this Area Development Agreement, we shall have the right to open, or license others to open, Boston's Restaurant Franchises within the Development Territory (subject to the territorial rights granted, if any, for any then-existing Boston's Restaurant franchise agreements); and you shall be subject to all confidentiality and non-competition covenants contained in any franchise agreements, Area Developer ~~Owner~~Owners Agreements and similar agreements you have signed with us or our affiliates. For purposes of this Section 8.2, any franchise agreement signed by us and you or your approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which you or any stockholder, partner or joint venturer of you has any direct or indirect ownership or participation interest shall be deemed a franchise agreement issued to you.

8.3 In the event of a default by you, all of our costs and expenses arising from such default, including reasonable accountant fees, attorney fees and administrative fees shall be paid to us by you within five days after cure or upon demand by us if such default is not cured. You will remain bound by all franchise agreements.

## 9. ASSIGNMENT

9.1 We shall have the absolute right to transfer or assign all or any part of our rights or obligations hereunder to any person or ~~legal entity~~Entity which assumes our obligation under this Area Development Agreement, and we shall thereby be released from any and all further liability to you.

9.2 You may not assign this Area Development Agreement or any rights to the Development Territory except in compliance with Section 8.2. The provisions of this Section shall not restrict you from transferring an open and operating Boston's Restaurant Franchise in compliance with the assignment provisions contained in such franchise agreement.

## 10. FORCE MAJEURE

In the event that you are unable to comply with the Development Schedule due to strike, riot, civil disorder, war, epidemic, fire, natural catastrophe or other similar events which are beyond your control and cannot be overcome by use of reasonable commercial measures ("Force Majeure"), and upon notice to us, the Development Schedule and this Area Development Agreement shall be extended for a corresponding period, not to exceed 90 days. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under this Area Development Agreement or any franchise agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Area Development Agreement during or after the Force Majeure event.

## 11. ENTIRE AGREEMENT

This Area Development Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory and shall not be modified except by a written agreement signed by the parties. However, nothing in this Area Development Agreement or any related agreement is intended to disclaim Boston's Restaurant's representations made in the Franchise Disclosure Document. Where this Area Development Agreement and any franchise agreement between the parties conflicts with respect to the payment terms of Development Fees or equity interests held by you or your operating partners, the terms of this Area Development Agreement shall govern. Under no circumstances do the



parties intend that this Area Development Agreement be interpreted in a way as to grant you any rights to grant sub-franchises in the Development Territory.

Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Area Development Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Area Development Agreement. The attachments are part of this Area Development Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Area Development Agreement.

This Section is intended to define the nature and extent of the parties' mutual contractual intent, and serves to show that there is no intention to enter into contract relations other than the terms contained in this Area Development Agreement. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Area Development Agreement, would affect the economic terms of this bargain.

## **12. OUR RELATIONSHIP**

It is acknowledged and agreed that you and we are independent contractors and nothing contained herein shall be construed as constituting you as the agent, partner or legal representative of us for any purpose whatsoever. You shall enter into contracts for the development of the Development Territory contemplated by this Area Development Agreement at your sole risk and expense, and shall be solely responsible for the direction, control, supervision and management of your agents and employees. You acknowledge that you do not have authority to incur any obligations, responsibilities or liabilities on behalf of us, or to bind us by any representations or warranties, and agree not to hold yourself out as having this authority.

You or your affiliate (if applicable) must determine appropriate staffing levels for each of your Boston's Restaurant Businesses developed under this Area Development Agreement to ensure full compliance with each of the individual franchise agreements and our System standards. You or your affiliate are solely responsible to hire, train and supervise employees or independent contractors to assist with the proper operation of the Boston's Restaurant Businesses. You or your affiliate must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your employees or as applicable, for your independent contractors. These employees and independent contractors will be your or your affiliate's employees or contractors, not ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You or your affiliate must inform your employees and independent contractors that you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you or your affiliate must use your legal business ~~entity~~Entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, time cards and similar items.

You have sole responsibility and authority for all employment-related decisions, including employee selection and promotion, firing, hours worked, rates of pay and other benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign any acknowledgment form



we prescribe that explains the nature of the area development and/or franchise relationship and notifies the employee or independent contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the back-of-the-house area explaining your area development and/or franchise relationship with us and that you (and not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment/engagement policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel competent in employment law.

### **13. INDEMNIFICATION**

You agree to protect, defend, indemnify and hold us and our affiliates, the respective officers, directors, managers, partners, shareholders, members, employees, agents and contractors of these entities (collectively, the “Indemnified Parties”) harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with your carrying out your obligations hereunder; your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; your marketing, selling, or providing of items and services; and any breach of violation of any agreement (including this Area Development Agreement or any franchise agreement between you and us); or any law, regulation or ruling, by any act, error or omission (active or passive) of you, any party associated with you or your affiliate, and your respective officers and employees.

You agree to reimburse us within 30 days of us submitting an invoice to you for all costs of defending the matter, including all attorney fees we incur, whether or not your insurer assumes defense of us promptly when requested. We have the right to approve any resolution or course of action, including, but not limited to, the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on us or our Marks or System, or could serve as a precedent for other matters.

### **14. ~~SUCCESSORS AND ASSIGNS~~GENERAL PROVISIONS**

~~13.~~14.1 This Area Development Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives. If more than one person or ~~entity~~Entity is listed as the area developer, each such person or ~~entity~~Entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Area Development Agreement.

14.2 We have the right in our sole and absolute discretion to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted the performance of any portion or all of our obligations under this Area Development Agreement, and any right that we have under this Area Development Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Area Development Agreement.

14.3 The headings in this Area Development Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Area Development Agreement unless otherwise specified. All references to days in this Area Development Agreement refer to calendar days unless otherwise specified. The term



“you” as used in this Area Development Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other, the feminine and the possessive.

14.4 All provisions that expressly or by their nature survive the termination, expiration or transfer of this Area Development Agreement will continue in full force and effect, even after the termination, expiration or transfer of this Area Development Agreement, until they are fully satisfied or expire by their own terms.

14.5 This Area Development Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

14.6 Nothing in this Area Development Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Area Development Agreement; provided, however, that the Indemnified Parties are intended third party beneficiaries under this Area Development Agreement with respect to your indemnification obligations.

14.7 We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall apply only to the specifically waived provisions and shall not affect any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Area Development Agreement (including the right to demand exact compliance with every term, condition and covenant in this Area Development Agreement, or to declare any breach of this Area Development Agreement to be a default, and to terminate the Area Development Agreement before the expiration of its Term) by virtue of: (i) any custom or practice of the parties that varies with the terms of this Area Development Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Area Development Agreement or to insist upon exact compliance by the other with its obligations under this Area Development Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other “Boston’s” area developers; or (iv) the acceptance by us of any payments due from you after breach of this Area Development Agreement.

14.8 Each section, subsection, term and provision of this Area Development Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Area Development Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Area Development Agreement. If a court concludes that any promise or covenant in this Area Development Agreement is unreasonable and unenforceable, including without limitation, the Brand Covenants: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Area Development Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions. No provision herein expressly identifying any term or breach of this Area Development Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. Nothing in this Area Development Agreement is intended to disclaim any of the representations we made in the franchise disclosure document.

14.9 You understand and agree that nothing in this Area Development Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal



representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as an area developer of ours. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and area developer. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Area Development Agreement. You further agree that fulfillment of any and all of our obligations written in the Area Development Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

#### **14.15. APPLICABLE LAW**

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Area Development Agreement and the area developer relationship shall be governed by the laws of the State of ~~Delaware~~Texas (without reference to its principles of conflicts of law), but any law of that State that regulate the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its area developer or franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

If applicable law implies a covenant of good faith and fair dealing in this Area Development Agreement, we and you agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Area Development Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Area Development Agreement (and the relationship of the parties that is inherent in this Area Development Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions consistent with our explicit rights and obligations under this Area Development Agreement that may affect your interests favorably or unfavorably; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees and area developers generally (including us and our affiliates, if applicable), and specifically without considering your individual interests or the individual interests of any other particular area developer or franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

#### **15.16. NOTICE**

Whenever this Area Development Agreement requires notice, it shall be in writing and shall be deemed so delivered at the time delivered by hand; one business day after electronically confirmed transmission by ~~facsimile or other electronic system;~~email (to the last email address provided by the recipient); one business day after delivery by any trackable delivery method, or three business days after placement in the United States mail by Registered or Certified Mail, Return Receipt Request, postage prepaid and addressed: (a) to us at 14850 Quorum Drive, Suite 201, Dallas, Texas 75254, unless written notice is given of a change of address; and (b) to you at the address set forth in Attachment A of this Area Development Agreement, unless written notice is given of a change of address.

#### **16.17. DISPUTE RESOLUTION**

~~16.17.1~~ Except for any “Litigation Exceptions” as defined below, without limiting our termination rights, all claims or disputes between you and us or our affiliates arising out of, or in any way



relating to, this Area Development Agreement, or any of the parties' respective rights and obligations arising out of this Area Development Agreement, shall be submitted first to non-binding mediation ("Required Mediation") prior to a hearing in binding arbitration. Before commencing any mediation against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. Such mediation shall take place in the city closest to our principal place of business (currently Dallas, Texas) under the auspices of the American Arbitration Association ("AAA"), or other mediation service acceptable to us in our sole discretion, in accordance with AAA's Commercial Mediation Procedures then in effect. You may not commence any action against us or our affiliates with respect to any such claim unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. We reserve the right to specifically enforce our right to mediation.

~~16.217.2~~ If the parties cannot fully resolve and settle a dispute through Required Mediation, all unresolved issues involved in the dispute shall be, at the request of either party, submitted to final and binding arbitration to be conducted in the city closest to our principal place of business (currently Dallas, Texas) by AAA (if AAA or any successor thereto is no longer available for arbitration in such city, you and we will agree on another arbitration organization to conduct the arbitration proceeding), in accordance with AAA's Commercial Arbitration Rules and otherwise as set forth below on an individual basis (not a class action) ("Required Arbitration"). Either party may initiate an arbitration proceeding by making a written demand to the other party, and both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by the applicable ~~statute of limitations~~ period, and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Area Development Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary.

(a) Arbitration will be conducted before a single, neutral arbitrator who is familiar with legal disputes of the type at issue and who has franchise business or contract experience. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request AAA or successor organization, to appoint a qualified arbitrator.

(b) All discovery must be completed within 60 days following appointment of an arbitrator, unless otherwise agreed by the parties. Depositions will be limited to a maximum of five per party and will be held within 30 days after making a request. Additional depositions may be scheduled only with the permission of the arbitrator and for good cause shown. Each deposition will be limited to a maximum of six hours duration. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position.

(c) At least five days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

(d) The arbitrator will issue a written decision within ten days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Area Development Agreement, including monetary damages and interest on unpaid amounts from date due, specific performance, injunctive and declaratory relief, and legal fees and costs,



but will not have any authority to amend or modify the terms of this Area Development Agreement or to assess exemplary or punitive damages. Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Area Development Agreement including, but not limited to any claim that all or any part of this Area Development Agreement is void or voidable.

(e) Any award will be made within nine months of the filing of the notice of intention to arbitrate and the arbitrator will agree to comply with this schedule before accepting appointment. The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed-upon time schedule. The arbitrator will use his best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed-upon time schedule, subject to the arbitrator's approval.

(f) The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

~~16.3~~17.3 If any of the following exceptions occur, either party may immediately file a lawsuit in accordance with this Section without going through the Required Mediation or Required Arbitration (for purposes of this Area Development Agreement, the following shall be referred to as the "Litigation Exceptions"): (i) any action that involves an alleged breach of any Brand Covenant; (ii) any action petitioning specific performance to enforce your use of the Marks or the System or to prevent unauthorized duplication of the Marks or the System; (iii) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, or other relief in the nature of equity, including an action to enjoin an alleged violation or harm (or imminent risk of violation or harm) to any of our rights in the Intellectual Property, our copyrighted works, Marks, the System, or in any of our specialized training, trade secrets, or other Confidential Information, brought at any time, including prior to or during any pending mediation or arbitration proceedings; or (v) any action in ejectment or for possession of any interest in real or personal property.

~~16.4~~17.4 All disputes and claims must be mediated, arbitrated and, if applicable, litigated in the principal city (and, if applicable, court) closest to our principal place of business (currently Dallas Texas); provided that for claims brought under the Litigation Exceptions, we have the option to bring suit against you in any state or federal court within the jurisdiction where your Franchised Business is or was located, or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Area Development Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum, and waives any bond, surety, or other security that might be required of any other party with respect to venue.

~~16.5~~17.5 If you breach any term of this Area Development Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys' fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings.

If we or you must enforce this Area Development Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including



reasonable fees for accountants, attorneys, and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses.

If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has substantially prevailed over the other party using reasonable business and arbitrator's judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expenses that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys' fees as described in this Section.

~~16.6~~17.6 WE AND YOU IRREVOCABLY WAIVE: (I) TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRING SUIT; AND (II) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

17.7 We and you agree that any legal action of any kind by a party arising out of or relating to this Area Development Agreement or a default of this Area Development Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Area Development Agreement or to the Litigation Exceptions. You and we, for yourselves, ourselves and on behalf of the Owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive or exemplary damages against the other, and agree that except to the extent provided to the contrary in this Area Development Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

~~16.7~~17.8 Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire mediation, arbitration or litigation proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

~~16.8~~17.9 The parties acknowledge that nothing herein shall delay or otherwise limit our Termination Rights A notice or request for arbitration or mediation will have no effect on the status of any demand for performance or notice of termination under this Area Development Agreement.

~~16.9~~17.10 We and you agree that the provisions of this Section shall apply during the term of this Area Development Agreement and following the termination or expiration of this Area Development Agreement. You agree to fully perform all obligations under this Area Development Agreement during the entire mediation, arbitration or litigation process.



## **17.18. COVENANTS**

17.18.1 For purposes of this Area Development Agreement, “Intellectual Property” means the Marks, our copyrighted materials, “Confidential Information” (defined below), the System and “Improvements” (defined below). Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all directives of ours including in our confidential operations manual governing your use of the Intellectual Property. This Area Development Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property. You agree that during the term of this Area Development Agreement and after its termination or expiration you will not, directly or indirectly, contest our interest in the Intellectual Property. For purposes of this Area Development Agreement, “Confidential Information” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Boston’s Restaurant Franchise, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, our confidential operations manual, written directives and all drawings, equipment, computer and point of sale programs (and output from such programs), and any other information, know-how, techniques, material and data imparted or made available by us to you. For purposes of this Area Development Agreement, “Improvements” means any improvements or additions to the System, marketing, method of operation, or the products or services offered by a Boston’s Restaurant Franchise.

17.218.2 You acknowledge that you will use the Confidential Information only in the development and operation of Boston’s Restaurant Franchises, and you will not disclose Confidential Information to others, except as expressly authorized by this Area Development Agreement or your franchise agreement(s) with us. You will take all actions to preserve the confidentiality of all Confidential Information. You will not copy or permit copying of Confidential Information. Your obligations under this Section begin when you sign this Area Development Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus an additional three years afterwards. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information. The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney, and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed pursuant to a court order. We do not make any representation or warranty that your use of the System and Confidential Information will not infringe on the patent, copyright or other proprietary rights of third parties. You agree that we will have no liability to you if the System and/or any Confidential Information is held not to be secret or confidential or in the event that any infringement of others’ proprietary rights occurs because of your use of the System and Confidential Information.

17.318.3 The covenants in this Section 18 shall be referred to as the “Brand Covenants.” You acknowledge that the System is distinctive and has been developed by us and/or our affiliates at great effort, time and expense, and that the Intellectual Property and the training and assistance we provide would not be acquired except through implementation of this Area Development Agreement. You also acknowledge that competition by you, the Owners, or persons associated with you or the Owners (including family members) could jeopardize the entire System because you and the Owners have received an advantage through knowledge of our day-to-day operations and Confidential Information



related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our System.

17.418.4 For purposes of this Area Development Agreement, “Competitive Business” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by the ~~Boston’s Restaurant Franchise~~Franchised Business; or (ii) provides or offers to provide services the same as or similar to the type of services sold by you, but excludes a ~~Boston’s Restaurant Franchise~~Franchised Business operating under ~~an~~ Area Development Agreement with us. A Competitive Business shall not include ownership of up to five percent (5%) of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any business that otherwise would meet the definition of a Competitive Business. You agree not to compete with us during the term of this Area Development Agreement by engaging in any of the following activities (“Prohibited Activities”): (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in any Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing any customer of ours (or of one of our affiliates’ or franchisees’) to transfer their business to you or to any other person that is not then a franchisee of ours.

17.518.5 For purposes of this Section, the “Restricted Period” means a period of 2 years after the termination or expiration of this Area Development Agreement. For purposes of this Section, the “Restricted Territory” means the geographic area within the Development Area and a 10-mile radius of the Development Area. During the Restricted Period, you agree that you will not engage in any Prohibited Activities within the Restricted Territory and that you will cause each of your Owners to not engage in any Prohibited Activities within the Restricted Territory. If you or any Owner engages in a Prohibited Activity within the Restricted Territory during the Restricted Period, then the Restricted Period applicable to you (and applicable to each non-compliant Owner under the Area Developer ~~Owner~~Owners Agreement) will be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

17.618.6 The parties agree that of the Brand Covenants will be construed as independent of any other covenant or provision of this Area Development Agreement. It is the parties’ intent that the provisions of this Section be judicially enforced to the fullest extent permissible under applicable law. If all or any portion of any Brand Covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, you agree to be bound by any lesser covenant subsumed within the terms of such Brand Covenant that imposes the maximum duty permitted by law, as if the resulting Brand Covenant were separately stated in and made a part of this Section. Accordingly, the parties agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. You acknowledge and agree that: (i) the terms of this Area Development Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Boston’s franchisees benefits you and the Owners because it prevents others from unfairly competing with your Boston’s Restaurant Franchises; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Area Development Agreement. You hereby waive any right to challenge the terms of the Brand Covenants as being overly broad, unreasonable or otherwise unenforceable. We have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any Brand Covenant without your consent (before or after any dispute arises), effective when we give you written notice of this reduction and you agree to comply with any covenant as so modified.

17.718.7 You agree that failure to comply with the terms of Brand Covenants will cause substantial and irreparable damage to us and/or other Boston’s franchisees for which there is no adequate



remedy at law. Therefore, you agree that any violation of the terms of this Section 18 will entitle us to injunctive relief. We may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). Notwithstanding the foregoing, if a court requires the filing of a bond, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us, at law or in equity, under this Area Development Agreement are mutually exclusive, and may be combined with others, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense or cause of action you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of the Brand Covenants.

## **18.19. ACKNOWLEDGEMENTS**

18.19.1 You acknowledge and recognize that different area development agreements and franchise agreements may have different terms and conditions, including different fee structures, than this Area Development Agreement, regardless of when those other agreements were or will be executed. We do not represent that all area development agreements or franchise agreements are or will be identical.

18.19.2 You acknowledge that you are not, nor are you intended to be, a third-party beneficiary of this Area Development Agreement or any other agreement to which we are a party.

18.19.3 You acknowledge and accept the following:

This offering is not a security as that term is defined under applicable Federal and State securities laws. The obligation to train, manage, pay, recruit and supervise employees of the Boston's Restaurant Businesses rests solely with you.

*(Signature Page Follows)*



IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Area Development Agreement on the day and year first written above.

**BOSTON PIZZA RESTAURANTS, LP,  
a Delaware Limited Partnership**

By its general partner  
~~BRBPR~~ GP, Inc.  
a Delaware corporation

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

Name: Jeffrey Melnick

Title: President

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

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

Name: Jason Snavely

Title: Secretary

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

**AREA DEVELOPER:**

\_\_\_\_\_  
Entity name (if any)  
a(n) \_\_\_\_\_

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

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

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

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



**ATTACHMENT A**

**DATA SHEET**

1. Effective Date. The effective date of this Area Development Agreement, set forth in the introductory Paragraph of this Area Development Agreement is: \_\_\_\_\_, 20\_\_.

2. Area Developer. The area developer set forth in the introductory Paragraph of this Area Development Agreement is: \_\_\_\_\_  
\_\_\_\_\_

3. Description of the Development Territory:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Development Fee.

Number of Boston's Restaurant Businesses to be Developed: \_\_\_\_\_  
x \$50,000  
= \$ \_\_\_\_\_

5. Notice Address. The notice address for the area developer, as set forth in Section 16 of this Area Development Agreement, is:

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(Signature page follows)*



**BOSTON PIZZA RESTAURANTS, LP,  
a Delaware Limited Partnership**

By its general partner  
**BRBPR GP, Inc.**  
a Delaware corporation

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

Name: Jeffrey Melnick

Title: President

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

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

Name: Jason Snavely

Title: Secretary

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

**AREA DEVELOPER:**

\_\_\_\_\_  
Entity name (if any)  
a(n) \_\_\_\_\_

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

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

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

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



**ATTACHMENT B**

**DEVELOPMENT SCHEDULE**

1. Number of Boston's Restaurant Franchises to be developed under this Area Development Agreement: \_\_\_\_\_
  
2. The termination date of this Area Development Agreement shall be the earlier of the date the Development Schedule is complete or \_\_\_\_\_, 20\_\_.
  
3. Development Schedule:

Boston's Restaurant Franchise	Development Period	Franchise Agreement Execution Deadline	Restaurant Opening Deadline
1	_____ to _____		
2	_____ to _____		
3	_____ to _____		

*(Signatures on following page)*



**BOSTON PIZZA RESTAURANTS, LP,  
a Delaware Limited Partnership**

By its general partner  
BRBPR GP, Inc.  
a Delaware corporation

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

Name: Jeffrey Melnick

Title: President

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

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

Name: Jason Snavelly

Title: Secretary

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

**AREA DEVELOPER:**

\_\_\_\_\_  
Entity name (if any)  
a(n) \_\_\_\_\_

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

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

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

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



**ATTACHMENT C**  
**STATEMENT OF OWNERSHIP**

Area Developer: \_\_\_\_\_

**Form of Ownership**  
**(Check One)**

**Individual**    **Partnership**    **Corporation**    **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation/Incorporation: \_\_\_\_\_

Management (managers, officers, board of directors, etc.):

Name	Title

**Members, Stockholders, Partners\*:**

Name	Address	Percentage Owned

**\*If any members, stockholders or partners are entities, please list the entities and owners of such entities up through the individuals.**



**Identification of Responsible Owner.** Your Responsible Owner as of the Effective Date is \_\_\_\_\_  
\_\_\_\_\_. is \_\_\_\_\_. You  
may not change the Responsible Owner without prior written approval.

**AREA DEVELOPER:**

\_\_\_\_\_  
Entity name (if any)  
a(n) \_\_\_\_\_

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

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

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

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



## ATTACHMENT D

### AREA DEVELOPER ~~OWNER~~ OWNERS AGREEMENT

As a condition to the granting by Boston Pizza Restaurants, LP (“we” or “us”) of an Area Development Agreement with \_\_\_\_\_ (“Area Developer”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Area Developer, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“~~Area Developer Owner~~ Owners Agreement”).

#### 1. Acknowledgments.

1.1 Area Development Agreement. Area Developer entered into an Area Development Agreement with us effective as of \_\_\_\_\_, 20\_\_ (“Area Development Agreement”). Capitalized words not defined in this Area Developer ~~Owner~~ Owners Agreement will have the same meanings ascribed to them in the Area Development Agreement.

1.2 Owners’ Role. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Area Developer and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Area Developer’s obligations under the Area Development Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Area Developer’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Area Development Agreement, Owners are required to enter into this Area Developer ~~Owner~~ Owners Agreement as a condition to our entering into the Area Development Agreement with Area Developer. Owners will be jointly and severally liable for any breach of this Area Developer ~~Owner~~ Owners Agreement.

#### 2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Area Development Agreement, we may will provide Area Developer with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Area Development Agreement governing Area Developer’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Area Developer ~~Owner~~ Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Area Developer ~~Owner~~ Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Area Developer ~~Owner~~ Owners Agreement as we may seek against Area Developer under the Area Development Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Area Developer ~~Owner~~ Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners.



However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

### **3. Covenant Not to Compete.**

3.1 Non-Competition During and After the Term of the Area Development Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Area Development Agreement governing Area Developer's restrictions on competition both during the term of the Area Development Agreement and following the expiration or termination of the Area Development Agreement are hereby incorporated into this Area Developer ~~Owner~~Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Area Developer ~~Owner~~Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Area Developer ~~Owner~~Owners Agreement as we may seek against Area Developer under the Area Development Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Area Developer ~~Owner~~Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to remain bound to the maximum extent permitted by law, as if that covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Area Developer ~~Owner~~Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

### **4. Continuing Guarantee.**

4.1 Payment. To the extent applicable, Owners will pay us (or cause us to be paid) all monies payable by Area Developer under the Area Development Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Area Developer of all of Area Developer's obligations under the Area Development Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, now or in the future, by reason of: (i) Area Developer's failure to pay the amounts owed (to us or any of our affiliates) pursuant to the Area Development Agreement, or to do and perform any other act, matter, or thing required by the Area Development Agreement; or (ii) any action by us to obtain performance by Area Developer of any act, matter, or thing required by the Area Development Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we are not obligated to exhaust all remedy (whether legal or equitable) against or pursue relief from the Area



Developer, before proceeding to enforce the obligations of the Owners as guarantors under this Area Developer ~~Owner~~Owners Agreement. The enforcement of Owners' obligations can take place before, after, or simultaneously with the enforcement of any of the Area Developer's debts or obligations under the Area Development Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Area Developer's indebtedness or obligation, or settle, adjust, or compromise any claims against Area Developer, all without notice to the Owners. Owners waive notice of amendment of the Area Development Agreement and notice of demand for payment or performance by Area Developer.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (a) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Area Developer or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Area Developer to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Area Developer as a legal entity; (v) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Area Developer Owners Agreement or the obligations; or (vi) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Area Developer Owners Agreement.

5. Transfers. Owners acknowledge and agree that we have granted the Area Development Agreement to Area Developer in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Area Developer, unless Owners first comply with the sections in the Area Development Agreement regarding transfers. Owners acknowledge and agree that attempting to transfer an interest in the Area Developer without our express written consent, except those situations provided in the Area Development Agreement where our consent is not required, will be a ~~material~~ breach of this Area Developer ~~Owner~~Owners Agreement and the Area Development Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Area Developer Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Area Developer Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Area Developer Owners Agreement to the same extent as if such assignee or transferee were us.

## 6. Notices.

6.1 Method of Notice. Any notices given under this Area Developer ~~Owner~~Owners Agreement shall be in writing and delivered in accordance with the provisions of the Area Development Agreement.



6.2 Notice Addresses. Our current address for all communications under this Area Developer ~~Owner~~Owners Agreement is:

Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254

The current address of each Owner for all communications under this Area Developer ~~Owner~~Owners Agreement is designated on the signature page of this Area Developer ~~Owner~~Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Area Development Agreement.

## **7. Enforcement of This Area Developer ~~Owner~~Owners Agreement.**

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Area Developer ~~Owner~~Owners Agreement shall be subject to the dispute resolution provisions of the Area Development Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Area Developer ~~Owner~~Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Area Developer ~~Owner~~Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Area Developer ~~Owner~~Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law, jurisdiction, and venue provisions of the Area Development Agreement.

7.3 Equitable Remedies. Owners acknowledge and agree that the covenants and obligations of the Owners relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause us irreparable injury for which adequate remedies are not available at law. Therefore, Owners agree that we shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Owners from committing any violation of the covenants and obligations contained in this Area Developer ~~Owner~~Owners Agreement. If equitable relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If equitable relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## **8. Miscellaneous.**

8.1 No Other Agreements. This Area Developer ~~Owner~~Owners Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Area Developer ~~Owner~~Owners Agreement, other than those in this Area Developer ~~Owner~~Owners Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Area Developer ~~Owner~~Owners Agreement may be implied into this Area Developer ~~Owner~~Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Area Developer ~~Owner~~Owners Agreement), no amendment, change, or variance from this Area Developer ~~Owner~~Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.



8.2 Severability. Each provision of this Area Developer ~~Owner~~Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Area Developer ~~Owner~~Owners Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Area Developer ~~Owner~~Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Area Development Agreement to the fullest extent permitted by law), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Area Developer ~~Owner~~Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Area Developer ~~Owner~~Owners Agreement.

8.4 Construction. Any term defined in the Area Development Agreement which is not defined in this Area Developer ~~Owner~~Owners Agreement will be ascribed the meaning given to it in the Area Development Agreement. The language of this Area Developer ~~Owner~~Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Area Developer ~~Owner~~Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Area Developer ~~Owner~~Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Area Developer ~~Owner~~Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Successors. References to "Franchisor," "Owners," "the undersigned," or "you" include the respective parties' heirs, successors, assigns, or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Area Developer ~~Owner~~Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Area Developer ~~Owner~~Owners Agreement shall be cumulative.

8.8 No Personal Liability. Owners agree that fulfillment of any and all of our obligations written in the Area Development Agreement or this Area Developer ~~Owner~~Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Owners for any reason.

8.9 Area Developer ~~Owner~~Owners Agreement Controls. In the event of any discrepancy between this Area Developer ~~Owner~~Owners Agreement and the Area Development Agreement, this Area Developer ~~Owner~~Owners Agreement shall control.

*(Signature Page Follows)*



**IN WITNESS WHEREOF**, the parties have entered into this Area Developer ~~Owner~~Owners Agreement as of the Effective Date of the Area Development Agreement.

**OWNER(S):**

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Owner]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:

Sign: \_\_\_\_\_

Printed Name: [Insert Name of Spouse]

Address:

Email Address:

Phone Number:



**EXHIBIT E**

**LIST OF CURRENT AND FORMER FRANCHISEES**



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[20232024 FDD v1F]

**Current Franchisees as of December 31, 2022**  
**2023**

**ARIZONA**

~~BOSTCG, LLC  
Piyush Patel  
804 N. Caeharis Ct  
Casa Grande, AZ 85122  
(520) 251-1800~~

~~Marana, AZ  
Sunil (Sunny) Patel  
MAA Pavilion Rd., LLC  
11035 N. Gemma Avenue  
Oro Valley, AZ 85742  
(307) 321-4970~~

Lawrence Rychjohn  
P. R. Normandale Hotels, LLC  
1901 East 18<sup>th</sup> Street.  
Yuma, Arizona 85365  
Phone: (306) 241-5079

**ARKANSAS**

LR-HI, LLC  
Timothy B. O'Reilly  
3201 Bankhead Dr  
Little Rock, AR 72206  
(501) 235-2000

**CALIFORNIA**

~~Fontana, California  
Citrus Heights, CA  
Gurtej Gill  
Cal Restaurants  
111 West Q Street  
Rio Linda, CA 95673  
(916) 752-9077~~

BP Foods, Inc.  
Sanjiv Bhagat  
Jyoti Madhura  
16927 Sierra Lakes Pkwy  
Fontana, CA 92336  
(909) 823-2300

**COLORADO**

KMG Enterprises, Inc.  
Randy Gulden  
2404 Patterson Rd  
Grand Junction, CO 81505  
(970) 773-8117

**GEORGIA**

Jigar Patel  
129 Magnolia Drive  
Pooler, GA 31322  
(912) 247-5522

**MARYLAND**

BP Waldorf, LLC  
Pank Presswala  
10440 O'Donnell Pl  
Waldorf, MD 20603  
(301) 396-4988

**MICHIGAN**

RROK Investments, LLC  
Rrok Dedivanaj  
3324 Owen Rd  
Fenton, MI 48430  
(810) 750-5800

BOPI LAN, LLC  
Jeffrey T. Neely  
555 South Mission St.  
Mt. Pleasant, MI 48858  
(989) 817-4790

Hallside, Inc.  
Robert H. McRae  
15133 Hall Rd  
Shelby Township, MI 48315  
(586) 247-4992



**MINNESOTA**

Blackshirts, Inc.  
Attn: Gurdev Pandher  
12794 Riverside Blvd., NW  
Coon Rapids, MI 55448  
(763) 421-2100

**MONTANA**

~~Sunrock Development  
Attn: Shawna Rothwell & Leanne Bailly  
1101 7th Street South  
Great Falls, MT 59405  
(406) 761-2788~~

**NORTH DAKOTA**

South 49 Properties, Inc.  
Attn: Gregg Most  
1640 13th Avenue E  
West Fargo, ND 58078  
(701) 532-2220

**OHIO**

199NWB, LLC  
Attn: Tim & Carla Emery  
191 W. Nationwide Blvd  
Columbus, OH 43215  
(614) 229-4275

J and J Bostons Marysville, LLC  
Attn: Joseph L. Maggard  
1099 Lydia Dr  
Marysville, OH 43040  
(937) 642-0584

**SOUTH DAKOTA**

Deadwood, South Dakota  
Ernest Hospitality, LLC  
Attn: Tim Johnson  
4806 Misty Woods Lane  
Rapid City, South Dakota 57701  
(605) 391-5132

**TEXAS**

Arlington, Texas  
RGH BP GROUP, LLC  
Attn: Amandeep Khaira  
43 Del Ray Crescent NE  
Calgary, Alberta, CA T1Y 6V8  
(213) 238-8483

Irving, Texas  
STH FOOD, INC.  
Attn: ~~Harpreet~~Harpreet (Harry) Singh  
2600 Sherwood Lane  
Colleyville, Texas 76034  
(972) 523-2317

Fort Worth, Texas  
JH Food, Inc.  
Attn: Harpreet (Harry) Singh  
2600 Sherwood Lane  
Colleyville, Texas 76034  
(972) 523-2317

EP Golden Star, LLC  
Attn: Jesus Ojeda  
340 Vin Rambla Dr  
El Paso, Texas 79912  
(915) 245-3363

**WASHINGTON**

Marysville, Washington  
FISHTAIL, LLC  
Binita Shrestha  
514 46<sup>th</sup> Street SE  
Everett, Washington 98203-2150  
(817) 805-1318



~~Friends Pizza and Sports Bar, LLC  
Attn: Ranbir Singh  
4607 Oceanrock Avenue  
Bakersfield, California 93313  
(661) 912-8802~~

Mill Creek, Washington  
Friends Pizza and Bar, LLC  
Attn: Ranbir Singh  
4607 Oceanrock Avenue

Bakersfield, California 93313  
(661) 912-8802

Spokane Restaurant Partners, Inc.  
Attn: Rakesh Kaushal  
14004 East Indiana Ave  
Spokane, WA 99216  
(509) 927-4184

## **CURRENT DEVELOPERS**

### **ARIZONA**

G. Pandher, B. Singh, R. Grewal  
14 Lakhota Crescent West  
Lethbridge, Alberta, Canada T1K 6I3  
(403) 471-1208

### **CALIFORNIA**

Victorville, Apple Valley, Inland Empire, CA  
Harsimrat Bhasin & R. J. Singh  
15637 Iron Spring Lane  
Fontana, California 92336  
(909) 531-9066

~~Northern California:  
Gurtej Gill and Navjot Gill  
111 West Q Street  
Rio Linda, California 95673  
(916) 752-9077~~

Southern California:  
Sanjiv Bhagat & Jyoti Madhura  
9330 Baseline Road, Suite 207  
Rancho Cucamonga, California 91701  
(909) 214-9247

Ontario, California  
Jatinderpal Dhaliwal  
5000 Coral Court  
Rancho Cucamonga, California 91737  
(310) 200-1303

~~Northern California:  
Gurtej Gill and Navjot Gill  
111 West Q Street~~

~~Rio Linda, California 95673  
(916) 752-9077~~

### **LOUISIANA**

Amandeep Dhillon  
D Shiri, LLC  
8762 Preston Trade Blvd.  
Frisco, Texas 75034  
(775) 250-1810

### **MICHIGAN**

~~Robert H and Anita L. McRae  
15133 Hall Road  
Shelby Township, Michigan 46315  
(248) 941-4222~~

### **NORTH DAKOTA**

BOTL International, Inc.  
Attn: Gregg Most  
1050 Halifax Street  
Regina, Saskatchewan, Canada S4P 1T7  
(306) 536-8857

### **SOUTH DAKOTA**

~~Ernest Hospitality, LLC  
Attn: Tim Johnson  
4806 Misty Woods Lane  
Rapid City, South Dakota 57701  
(605) 391-5132~~



**TEXAS**

North-Central Texas:

STH Food, Inc.

Harry Singh

2600 Sherwood Lane

Colleyville, Texas 76034

(972) 523-2317

West Texas:

EP Golden Star, LLC

Jesus Ojeda

7100 Westwind Drive, Suite 240

El Paso, Texas 79912

(915) 584-5991



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[20232024 FDD v1F]

**Franchisees with Unopened Outlets as of December 31, 20222023:**

Chino, California

Sophie Bhasin and R.J. Singh

Arjan, LLC

15637 Iron Spring Lane

Fontana, California 92336

(909) 531-9066

Roseville, California

Gurtej Gill

Cal Restaurants

111 West Q Street

Rio Linda, California 95673

(916) 752-9077

Beaumont, California

Mandeep (Sunny) Mann

35940 Deerbrook Road

Yucaipa, California 92399

(909) 910-0024

Shreveport, Louisiana

D Shiri, LLC

Attn: ~~Adandeep~~Amandeep Dhillon

8762 Preston Trace Blvd.

Frisco, Texas 75034

(775) 250-1810

Oklahoma City, Oklahoma

Meridian Stars of Wyndham, LLC

Attn: Mike Saifie

1690 E. Citrus Avenue

Redlands, California 92374

(909) 708-1070

Sioux Falls, South Dakota

Ernest Hospitality, LLC

Attn: Tim Johnson

4806 Misty Woods Lane

Rapid City, South Dakota 57701

(605) 391-5132

Casper, Wyoming

West Center Hospitality FB, LLC

Attn: Paul Diamond

1416 El Centro Street, Suite 200

South Pasadena, California 91030-3202

(310) 200-1642



## **Former Franchisees:**

The name and last known address of every franchisee who had a Boston's Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, ~~2022~~2023 to December 31, ~~2022~~2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

~~None~~ BOSTCG, LLC  
Piyush Patel  
804 N. Cacheris Ct  
Casa Grande, AZ 85122  
(520) 251-1800

Marana, AZ  
Sunil (Sunny) Patel  
MAA Pavilion Rd., LLC  
11035 N. Gemma Avenue  
Oro Valley, AZ 85742  
(307) 321-4970

Marysville, Washington  
Friends Pizza and Sports Bar, LLC  
Attn: Ranbir Singh  
4607 Oceanrock Avenue  
Bakersfield, California 93313  
(661) 912-8802

Citrus Heights, CA  
Gurtej Gill  
Cal Restaurants  
111 West Q Street  
Rio Linda, CA 95673  
(916) 752-9077

Great Falls, Montana  
Sunrock Development  
Attn: Shawna Rothwell & Leanne Bailly  
1101 7th Street South  
Great Falls, MT 59405  
(406) 761-2788



**EXHIBIT F**

**FRANCHISE OPERATIONS MANUAL**  
**TABLE OF CONTENTS**

Section	Number of Pages
Administration Manual	52
Financial Manual	32
Marketing Manual	26
Technology Operating Manual	71
Picture Book	141
Recipe Manual	270
Training Manual	1083

Total Number of Pages: 1,675



## OPERATIONS MANUAL TABLE OF CONTENTS

	<u>Approximate # of pages</u>
<b><u>Administration Manual</u></b>	<b>52</b>
Introduction to Boston's Governing Guidelines Franchise Advisory Council Standard Procedures	
<u>Standard Operating Procedures Method</u>	
Management Guidelines	
Emergency Guidelines	
Safety and Security Guidelines	
Home Delivery Guidelines	
Front of the House	
Heart of the House	
Food Safety	
Responsible Vending/Alcohol Service	
<b><u>Financial Manual</u></b>	<b>32</b>
Financial Administration	
<u>Accounting Package</u>	
<u>Bank Reconciliations</u>	
Record Keeping Bookkeeping Records Required Chart of Accounts Balance Sheet	
General Insurance	
<b><u>Marketing Manual</u></b>	<b>26</b>
Marketing Introduction Marketing Overview National vs Local Marketing New Store Opening	
Advertising	
Social Media Policy	
Email Policy	
Discount Strategy/Policy	
Menu Care Instructions	
<b><u>Technology Operating Manual</u></b>	<b>71</b>
POSi Quick Reference Guide	
NorthStar Desktop	
Discounts/Comps	
Employee Entry	
Labor	
Labor Analysis	
POSi Menu Database & Maintenance	
POSiTouch Recipe and Ingredient Files	
Vendor Files	
Invoice Entry	
Inventory Worksheets	



Inventory Process  
Inventory Troubleshooting  
Kitchen Display Screen (KDS)  
PCI Compliance Program  
Credit Card Processing Solution

<b><u>Picture Book</u></b>	<b>141</b>
Picture and build procedures for all menu items	
<b><u>Recipe Manual</u></b>	<b>270</b>
Build Line Recipes	
Pasta Line Recipes	
Fry Recipes	
Grill Recipes	
Salad Recipes	
Cut Recipes	
<b><u>Training Manual</u></b>	<b>1,083</b>
Front of the House Training	
Heart of the House Training	
<b>Total number of pages</b>	<b>1,675</b>



**EXHIBIT G**  
**STATE ADDENDA**  
**AND AGREEMENT RIDERS**



## STATE ADDENDA AND AGREEMENT RIDERS

### ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR BOSTON PIZZA RESTAURANTS, LP

The following modifications are made to the Boston Pizza Restaurants, LP (“Franchisor,” “us,” “we,” or “our”) Franchise Disclosure Document (“FDD”) given to franchisee (“Franchisee,” “you,” or “your”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 20\_\_ (“Franchise Agreement”). When the term “Franchisor’s Choice of Law State” is used, it means Texas. When the term “Supplemental Agreements” is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“State Addendum”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

#### CALIFORNIA

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement and the Area Development Agreement ~~may contain~~ provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Texas. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Area Development Agreement restricting venue to a forum outside the State of California. The Franchise Agreement ~~may contain~~ contains a mediation provision. ~~If so, the~~ The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Area Development Agreement require the application of the law of Texas. This provision may not be enforceable under California law.



Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements ~~may~~ provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement and the Area Development Agreement ~~may contain~~, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov) or by email to [Ask.DFPI@dfpi.gov](mailto:Ask.DFPI@dfpi.gov).

Item 6 is revised to state: Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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

## **HAWAII**

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING**



**BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit IJ of the FDD on the page entitled, "State Effective Dates."

2. States which have refused, by order or otherwise, to register these Franchises are:

None

3. States which have revoked or suspended the right to offer the Franchises are:

None

4. States in which the proposed registration of these Franchises has been withdrawn are:

None

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



## ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

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 this Act or any other law of this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

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

### Financial Assurance

Item 5 and Note 1 to Item 7 of the disclosure document are supplemented with the following: Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee and franchisee has commenced doing business. This financial assurance



requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

See the last page of this Exhibit G for your required signature.

## **INDIANA**

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two years within the Franchise Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.



Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

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

## IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt



by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Boston Pizza Restaurants, LP, 14850 Quorum Drive, Suite 201, Dallas, Texas 75254 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: \_\_\_\_\_

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

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

Its: \_\_\_\_\_

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

## **MARYLAND**

### **AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND AREA DEVELOPMENT AGREEMENT**

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement and Area Development Agreement are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement and Area Development Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.



The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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

### Fee Deferral

Item 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement and Area Development Agreement are revised to state: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

### MICHIGAN

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.



(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under



any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.



8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 6.2 of the Franchise Agreement is hereby amended to limit the Non-sufficient Funds Fee to \$30 per occurrence pursuant to Minnesota Statute 604.113.
10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **NEW YORK**

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR ~~CANNOT~~ CAN NOT 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~~ With the exception of what is stated above, with regard to the following applies to Franchisor or 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~~ 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 ~~ten~~ 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.

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

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.



## **NORTH DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 18 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

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

### **Financial Assurance**

Item 5 is amended to state that the initial franchise fee due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you are open for business.

## **OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business



day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials \_\_\_\_\_ Date \_\_\_\_\_

NOTICE OF CANCELLATION

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller’s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Boston Pizza Restaurants, LP, 14850 Quorum Drive, Suite 201, Dallas, Texas 75254 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

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

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

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



## **SOUTH DAKOTA**

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

### **Financial Assurance**

Item 5 is amended to state that the initial franchise fee and all other payments due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you open for business.

## **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

“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 Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Boston Pizza Restaurants, LP for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and 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 grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

## **WASHINGTON**

### **ADDENDUM TO FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, ~~FRANCHISE DISCLOSURE QUESTIONNAIRE,~~ AND FRANCHISE DISCLOSURE DOCUMENT**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.



RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

A liquidated damages provision in a Franchise Agreement may be construed as a penalty under Washington law if the amount is found to bear no reasonable relation to actual damages. As a result, the following amended liquidated damages provision replaces the current provision contained in Item 6 of the FDD and the Franchise Agreement to remove Brand Fund Contributions from the calculation of liquidated damages for Washington franchisees: "Liquidated damages are determined by multiplying the combined monthly average of Royalties (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your Boston's Business through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000."

Section 18.5 of the Franchise Agreement, Section 18.6 of the Area Development Agreement, and Section 7 of the System Protection Agreement state franchisee agrees to waive any right to challenge the terms of the brand covenants as being overly broad, unreasonable or otherwise unenforceable. These provisions do not apply to Washington franchisees.



RCW 19.100.180(1) provides that the franchisor deal with the franchisee in good faith. As a result, any such provisions contained in the franchise agreement that modify this covenant to be inconsistent with RCW 19.100.180(1), including section 31.10 or elsewhere, may be void and unenforceable in Washington and is hereby removed from the franchise agreement.

Section 8.9 of the Owners Agreement, contained in Attachment C of the Franchise Agreement is revised to state: No Personal Liability. Owners agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Franchise Owners Agreement shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Owners for any reason. Section 8.8 of the Owners Agreement contained in Attachment D of the Area Development Agreement is revised to state: No Personal Liability. Owners agree that fulfillment of any and all of our obligations written in the Area Development Agreement or this Area Developer Owners Agreement shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Owners for any reason.

Section 19.3 of the Area Development Agreement is hereby revised to state: “You acknowledge and accept the following: The obligation to train, manage, pay, recruit and supervise employees of the Boston’s Restaurant Businesses rests solely with you.

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

#### Financial Assurance

Item 5 is amended to state that the initial franchise fee and all other payments due to us before you open your Restaurant will be deferred until we satisfy all of our pre-opening obligations to you and you open for business. The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until we have fulfilled our initial pre-opening obligations under the Franchise Agreement and the Restaurant is open for business. Because we have material pre-opening obligations with respect to each Restaurant you open under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each Restaurant.

#### WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

*(Signatures on following page)*



**APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- California
- Hawaii
- Illinois
- Iowa
- Indiana
- Maryland

- Michigan
- Minnesota
- New York
- North Dakota
- Ohio

- Rhode Island
- South Dakota
- Virginia
- Washington
- Wisconsin

Dated: \_\_\_\_\_, 20\_\_

**FRANCHISOR:**

BOSTON PIZZA RESTAURANTS, LP  
a Delaware limited partnership

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

By: \_\_\_\_\_  
Jeffrey Melnick, President

By: \_\_\_\_\_  
Jason Snavelly, Secretary

**FRANCHISEE:**

\_\_\_\_\_

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

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



## **EXHIBIT H**

### **CONTRACTS FOR USE WITH THE BOSTON'S FRANCHISE**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Boston's Business. The following are the forms of contracts that Boston Pizza Restaurants, LP uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.



**EXHIBIT H-1**

**BOSTON'S FRANCHISE**

**SAMPLE GENERAL RELEASE AGREEMENT**

**WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims ("Release") is made as of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, a(n) \_\_\_\_\_ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Boston Pizza Restaurants, LP, a Delaware limited partnership ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Boston's business;

**WHEREAS**, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

**WHEREAS**, as a condition to Franchisor's consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the



franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Texas.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

*(Signatures on following page)*



**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_, a  
\_\_\_\_\_

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

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

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

**FRANCHISEE'S OWNERS:**

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 092122



## EXHIBIT H-2

### BOSTON'S FRANCHISE

#### SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“SP Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Boston Pizza Restaurants, LP, a Delaware limited partnership, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this SP Agreement.

1. **Definitions.** For purposes of this SP Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); the Boston’s franchised business operated by Franchisee; or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including at the Boston’s franchised business, but not limited to, the services we authorize), but excludes a Boston’s business operating pursuant to under a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Boston’s business or the solicitation or offer of a Boston’s franchise, whether now in existence or created in the future.

“*Franchisee*” means the Boston’s franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Boston’s business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Boston’s business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Boston’s business, including “Boston’s,” and any other trademarks, service marks, or trade names that we designate for use by a Boston’s business. The term “Marks” also includes any distinctive trade dress used to identify a Boston’s business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.



*“Restricted Period”* means ~~the two-year~~ period of two years after you cease to be a manager ~~the termination, expiration or officer of Franchisee’s Boston’s business~~ transfer of the franchise agreement Franchisee entered into with us; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the ~~two~~ one-year period after you cease to be a manager or officer of Franchisee’s Boston’s Pizza franchised business.

*“Restricted Territory”* means the geographic area within: (i) a ten-mile radius from Franchisee’s Boston’s business (and including the premises of the approved location of Franchisee); and (ii) a ten-mile radius from all other Boston’s businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within a ~~ten~~ five-mile radius from Franchisee’s Boston’s business (and including the premises of the approved location of Franchisee).

*“System”* means our system for the establishment, development, operation, and management of a Boston’s business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this SP Agreement.

**3. Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the Boston’s business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s Boston’s business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this SP Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Boston’s business by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

**6. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this SP Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether



you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this SP Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this SP Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this SP Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SP AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**8. Breach.** You agree that failure to comply with the terms of this SP Agreement will cause substantial and irreparable damage to us and/or other Boston's franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this SP Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this SP Agreement are exclusive of any other, but may be combined with others under this SP Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this SP Agreement.

## **9. Miscellaneous.**

a. If we pursue legal remedies against you because you have breached this SP Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This SP Agreement will be governed by, construed, and enforced under the laws of Texas, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this SP Agreement.

c. Each section of this SP Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this SP Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this SP Agreement agrees that the court may impose such limitations on the terms of this SP Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this SP Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this SP Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this SP Agreement to ensure that the terms and covenants in this SP Agreement are enforceable under applicable law.

*(Signature on following page)*



EXECUTED on the date stated below.

Date \_\_\_\_\_  
Signature \_\_\_\_\_  
Typed or Printed Name \_\_\_\_\_

Rev. 120619



**EXHIBIT H-3**

**BOSTON'S FRANCHISE**

**SAMPLE CONFIDENTIALITY AND NONCOMPETITION AGREEMENT**

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

**RECITALS**

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

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

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

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

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

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

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

**AGREEMENT**

**Confidentiality Agreement**

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by Franchisee in connection with the operating of a Boston’s Restaurant under the Franchise Agreement.
2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.
3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee’s other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Restaurant.



4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of your employment by Franchisee.

5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

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

### **Covenants Not to Compete**

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

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

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

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

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

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

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

### **Franchisee's Undertaking**

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



## Miscellaneous

1. You agree that:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

*(Signatures on following page)*



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

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

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

**COVENANTOR:**

\_\_\_\_\_

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

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

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

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

Rev. BP2022



**EXHIBIT H-4**

**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

**Bank Account Information:**

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

**Authorization:**

Franchisee hereby authorizes Boston Pizza Restaurants, LP (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

Rev. 032916

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**



**EXHIBIT H-5**

**BOSTON'S FRANCHISE**

**SAMPLE APPROVAL OF REQUESTED ASSIGNMENT**

This Approval of Requested Assignment ("Approval Agreement") is entered into on \_\_\_\_\_, 20\_\_\_\_, between Boston Pizza Restaurants, LP ("Franchisor"), a Delaware limited partnership, \_\_\_\_\_ ("Former Franchisee"), the undersigned owners of Former Franchisee ("**Owners**") and \_\_\_\_\_, ("New Franchisee").

**RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ ("Former Franchise Agreement"), in which Franchisor granted Former Franchisee the right to operate a Boston's franchise located at \_\_\_\_\_ ("Franchised Business"); and

WHEREAS, Former Franchisee desires to assign ("Requested Assignment") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Approval Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("New Franchise Agreement"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Approval Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Approval Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Approval Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Approval Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Approval Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication



survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Boston's franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Approval Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to approving the Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Approval Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Approval Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Approval Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Approval Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Approval Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Approval Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Approval Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

*(Signatures on following page)*



**IN WITNESS WHEREOF**, the parties have executed this Approval Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR:**

BOSTON PIZZA RESTAURANTS, LP  
a Delaware limited partnership

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

By: \_\_\_\_\_  
Jeffrey Melnick, President

By: \_\_\_\_\_  
Jason Snavely, Secretary

**FORMER FRANCHISEE:**

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

**NEW FRANCHISEE:**

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

Rev. 031821



**EXHIBIT H-6**

**BOSTON'S FRANCHISE**

**LEASE ADDENDUM**

This Addendum to Lease ("**Addendum**"), dated \_\_\_\_\_, 20\_\_\_\_, is entered into by and between \_\_\_\_\_ ("**Landlord**"), \_\_\_\_\_ ("**Tenant**") and \_\_\_\_\_ ("**Franchisor**"), collectively referred to herein as the "**Parties.**"

A. Landlord and Tenant have entered into a certain Lease Agreement dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ ("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

**NOW, THEREFORE**, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business ("**Franchise Assignee**") at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any



grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

#### 4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by ~~registered or certified mail, postage prepaid, a reputable overnight delivery service~~ to the following address:

Boston Pizza Restaurants, LP  
14850 Quorum Drive, Suite 201  
Dallas, Texas 75254

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

#### 5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

#### 6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the



Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copies herein in full.

**IN TESTIMONY WHEREOF**, witness the signatures of the Parties hereto as of the day, month, and year first written above.

**LANDLORD:**

**TENANT:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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

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

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

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

**FRANCHISOR:**

BOSTON PIZZA RESTAURANTS, LP  
a Delaware limited partnership

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

By: \_\_\_\_\_  
Jeffrey Melnick, President

By: \_\_\_\_\_  
Jason Snavelly, Secretary

Rev. 11/26/19022324



**EXHIBIT H-6**

**ATTACHMENT 1**

**ATTACHMENT 1 TO LEASE ADDENDUM**

**COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, as of the \_\_, 20\_\_ (“**Effective Date**”), the undersigned, \_\_\_\_\_ (“**Assignor**”) hereby assigns, transfers and sets over unto \_\_\_\_\_ (“**Assignee**”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A (“Lease”)** with respect to the premises located at \_\_\_\_\_. This Collateral Assignment of Lease (“**Assignment**”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor (“**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignor’s rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (~~2%~~) per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

*(Signatures on following page)*



**IN WITNESS WHEREOF**, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

**ASSIGNOR:**

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

Printed Name \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

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

Printed Name \_\_\_\_\_

Its: \_\_\_\_\_

Rev. 112619022324



**EXHIBIT H-7**  
**BOSTON'S FRANCHISE**  
**TERMS OF SERVICE AGREEMENT**





14850 Quorum Drive, Suite 201  
Dallas, Texas 75254  
Phone: (972) 484-9022  
Fax: (972) 484-7630

**TERMS OF SERVICE AGREEMENT**

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

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

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

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

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

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

EFFECTIVE DATE: \_\_\_\_\_

**See Schedule A which is an integral part of this agreement.**

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

**FRANCHISEE**

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

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

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

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

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

Name: **Jeffrey Melnick, President**

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

Name: **Jason Snavely, Secretary**



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

**1. Services**

1.1 **Services During Regular Business Hours:** BPR shall provide to Customer software telephone support services (the "Services") during regular business hours, which shall be Monday to Friday (excluding holidays excepted), 09:00 (Pacific Time) to 17:00 (Pacific Time) ("Regular Business Hours").

1.2 **Services Outside Regular Business Hours:** In addition to Section 1.1 above, BPR shall provide to Customer the Services for Critical Incidents only (as defined in Section 1.3 below) at times outside of Regular Business Hours, being Monday to Friday, 17:01 (Pacific Time) to 07:59 (Pacific Time) (not including and excluding holidays).

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

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

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

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

**2. Term and Termination**

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

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

2.3 **Termination for Breach:** If Customer breaches any provision of this Agreement, then BPR may, at its option, require to any other terms or conditions or may have immediately terminate this Agreement by providing Customer with a written notice of termination.

**3. CUSTOMER'S AND BPR'S COVENANTS**

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

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

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

**4. SERVICE CHARGES**

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

- (a) If Customer has a signed software maintenance agreement, then USD \$ 1500 per calendar year (such rate subject to change with sixty (60) days prior notice given to Customer by BPR) plus all applicable costs and services fee, harmonized sales tax, other taxes (the "Annual Charge"), except that for the Initial Term of this Agreement, the Annual Charge shall be pro-rated for the portion of the calendar year that the Initial Term commences in;

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

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

**5. METHOD OF PAYMENT**

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



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

#### 6. INDEMNITY

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

#### 7. LIMITATION OF LIABILITY

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

#### 8. GENERAL

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

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

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

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

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

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

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

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

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

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

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



## EXHIBIT H-8

### BOSTON'S FRANCHISE

### BOSTONLINK AGREEMENT

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

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

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

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

#### **1. DEFINITIONS**

In this Agreement:

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

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

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

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

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

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

#### **2. LIMITED LICENSE**

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



### 3. INFORMATION PROVIDED

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

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

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

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

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

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

### 6. MONITORING

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



other agreements between BPR and Franchisee or the User. Franchisee irrevocably consents to such monitoring and collection of information. BPR may delete, remove or block access to any such information at any time without notice.

## 7. CONFIDENTIAL INFORMATION

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

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

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

## 8. RESTRICTION OF LIABILITY

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

(a) any service interruption;

(b) any hardware or software malfunction;

(c) any display or misdisplay of any content provided by Franchisee or the Users;

(d) the provision of any inaccurate or incorrect information; or

(e) any failure of performance, error, omission, delay in operation of transmission, computer virus, or line failure. The above limitation or exclusion may not apply to the extent that



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

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

Franchisee represents to and covenants with BPR that:

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

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

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

## **10. INDEMNITY**

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

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

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

## **12. USERS**

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

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

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

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

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

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



**13. LICENSE**

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

**14. WAIVERS**

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

**15. SEVERABILITY**

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

**16. ENTIRE AGREEMENT**

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

**17. NOTICES**

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

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

Notices to Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a Copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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



## 18. ASSIGNMENT

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

## 19. CAPTIONS

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

## 20. FURTHER ASSURANCES

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

## 21. SUCCESSORS AND ASSIGNS

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

## 22. GOVERNING LAW

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

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



**23. WAIVER OF JURY TRIAL**

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

**24. OTHER AGREEMENTS/CROSS DEFAULT**

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

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

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

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

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

By: \_\_\_\_\_  
Jeffrey Melnick, President

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

By: \_\_\_\_\_  
Jason Snavely, Secretary

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

**FRANCHISEE:**

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

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



**EXHIBIT I**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

**This Franchisee Acknowledgement is not applicable to and shall not be used as to any franchise offer and/or sale involving any California resident and/or franchisee as the Franchisee Acknowledgement violates of California Corporations Code sections 31512 and 31512.1.**

**Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.**

**(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.)**

As you know, Boston Pizza Restaurants, LP (“we” or “us”), and you are preparing to enter into a Franchise Agreement and Area Development Agreement, if applicable, for the operation of a Boston’s franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Area Development Agreement, if applicable.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

~~**Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.**~~

1.      Yes\_\_ No\_\_      Have you received and personally reviewed the Franchise Agreement and Area Development Agreement, if applicable, and each attachment or exhibit attached to it that we provided?
  
2.      Yes\_\_ No\_\_      Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
  
3.      Yes\_\_ No\_\_      Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
  
4.      Yes\_\_ No\_\_      Do you understand all the information contained in the Franchise Disclosure Document and Area Development Agreement, if applicable?
  
5.      Yes\_\_ No\_\_      Have you reviewed the Franchise Disclosure Document and the Franchise Agreement (and Area Development Agreement, if applicable) with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
  
6.      Yes\_\_ No\_\_      Do you understand the risks of developing and operating a Boston’s Franchise?



7. Yes\_\_ No\_\_ Do you understand the success or failure of your Boston's Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
8. Yes\_\_ No\_\_ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Area Development Agreement, if applicable, must be arbitrated in Texas, if not resolved informally or by mediation (subject to state law)?
9. Yes\_\_ No\_\_ Do you understand that you must satisfactorily complete the initial training program before we will allow your Boston's Franchise to open or consent to a transfer of the Boston's Franchise to you?
10. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Boston's Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
11. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise agreement and Area Development Agreement, if applicable, and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Boston's Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_ No\_\_ Do you understand that the Franchise Agreement and Area Development Agreement, if applicable, including each attachment or exhibit to the Franchise Agreement and Area Development Agreement, if applicable, contains the entire agreement between us and you concerning the Boston's Franchise?
14. Yes\_\_ No\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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



\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 030423071823



**EXHIBIT J**

**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	Pending
Indiana	<del>May 21, 2022,</del> Renews <del>May 21,</del> <del>2023</del> Pending
Maryland	Pending
Michigan	<del>May 22, 2022,</del> Renews <del>May 22,</del> <del>2023</del> Pending
Minnesota	<del>May 15, 2023</del> Pending
New York	<del>April 24, 2023</del> Pending
North Dakota	<del>May 5, 2023</del> Pending
South Dakota	Pending
Virginia	<del>April 25, 2023</del> Pending
Washington	Pending
Wisconsin	<del>April 18, 2023</del> Pending

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



**EXHIBIT K**

**RECEIPTS**



**RECEIPT**  
**(Retain This Copy)**

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

If Boston Pizza Restaurants, LP offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Boston Pizza Restaurants, LP must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Boston Pizza Restaurants, LP to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boston Pizza Restaurants, LP does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Kyle Reeves, 14850 Quorum Drive, Suite 201, Dallas, TX 75254, 972-484-9022
Jeffrey Melnick, 14850 Quorum Drive, Suite 201, Dallas, TX 75254, 972-484-9022

Issuance Date: ~~April 18, 2023~~ March 26, 2024

I received a disclosure document issued ~~April 18, 2023~~ March 26, 2024 which included the following exhibits:

- Exhibit A List of State Administrators and Agents for Service of Process
- Exhibit B Financial Statements
- Exhibit C Franchise Agreement
- Exhibit D Area Development Agreement
- Exhibit E List of Current and Former Franchisees/Area Developers
- Exhibit F Operations Manual Table of Contents
- Exhibit G State Addenda and Agreement Riders
- Exhibit H Contracts for use with the Boston's Restaurant Franchise
- Exhibit I Franchise Disclosure Questionnaire
- Exhibit J State Effective Dates
- Exhibit K Receipt

\_\_\_\_\_  
Date Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name

Rev. 012417

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**



**RECEIPT  
(Our Copy)**

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

If Boston Pizza Restaurants, LP offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Boston Pizza Restaurants, LP must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Boston Pizza Restaurants, LP to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Boston Pizza Restaurants, LP does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

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- Exhibit J State Effective Dates
- Exhibit K Receipt

\_\_\_\_\_  
Date Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name

Rev. 012417

**Please sign this copy of the receipt, date your signature, and return it to Boston Pizza Restaurants, LP, 14850 Quorum Drive, Suite 201, Dallas, Texas, 75254.**

