

FRANCHISE DISCLOSURE DOCUMENT



SMASHBURGER FRANCHISING LLC
a Delaware Limited Liability Company
3900 East Mexico Avenue, Suite 1300
Denver, CO 80210
(303) 633-1500
www.smashburger.com
franchise@smashburger.com

The franchise is the right to establish and operate a Smashburger restaurant featuring hamburgers, sandwiches, salads, other food items and beverages.

The total investment necessary to begin operation of a Smashburger Restaurant is between \$1,239,500 to \$2,255,500. This includes \$41,500 to \$71,500 that must be paid to franchisor or its affiliates. If we grant you area development rights, the total investment necessary to acquire these rights is between \$40,000 to \$500,000 (based on a standard 2 to 25 restaurant development deal, determined by multiplying \$20,000 by the total number of restaurants you agree to develop), all of which must be paid to franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Smashburger Franchising LLC, 3900 East Mexico Avenue, Suite 1300, Denver, Colorado, 80210, (303) 633-1500.

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

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

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

ISSUANCE DATE: April 17, 2026, as amended May 28, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Multi-Unit Development Agreement require you to resolve disputes with the franchisor by arbitration or litigation only in Colorado. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Colorado 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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Turnover Rate.** In the last year, a high percentage of franchised outlets transferred, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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.

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: 517-335-7567

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Multi-Unit Development Agreement and Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce these sections as written.

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

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, APPEAR IN EXHIBIT L.

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

The Franchisor.

The Franchisor is Smashburger Franchising LLC. To simplify the language in this franchise disclosure document (this “Disclosure Document”), we use the terms “Franchisor,” “we,” “us,” or “our” to refer to Smashburger Franchising LLC. When we refer to our affiliates, we will refer to them using the names outlined below. “You” or “your” means the person or entity that buys the franchise. If you are not a natural person (i.e. you operate your franchise through a legal business entity or other type of organization), certain provisions of the Franchise Agreement (defined below), Multi-Unit Development Agreement (defined below) and related agreements will also apply to your owners.

We were formed as a limited liability company in the State of Delaware and began offering franchises of the type described in this Disclosure Document in April 2008. We do business under our corporate name and as “Smashburger.” We do not do business under any other name. Our principal business address is 3900 East Mexico Avenue, Suite 1300, Denver, Colorado, 80210, (303) 633-1500.

Our Parents, Predecessors and Affiliates.

Our parent is Smashburger Finance LLC, which is in turn wholly-owned by Smashburger Holdings LLC, which is in turn wholly-owned by SJBFL LLC, which is in turn wholly-owned by Bee Good!, Inc., which is in turn wholly owned by Jollibee Foods Corporation (USA), and each share our principal business address. Jollibee Foods Corporation (USA) is wholly-owned by Jollibee Foods Corporation (“JFC”), with the principal business address of 33rd Floor, Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Pasig City, 1605 Philippines.

Our affiliate, Smashburger IP Holder LLC shares our principal business address (“IP Holder”). IP Holder owns the trademarks and other intellectual property used in the operation of Smashburger Restaurants (defined below). IP Holder has granted us a license to use and sublicense the use of the trademarks and other intellectual property.

Our affiliate, Smashburger Servicing LLC shares our principal business address (“Smashburger Servicing”). Under a servicing agreement dated March 5, 2008 with us, we may use the resources of Smashburger Servicing in performing certain of our obligations under and activities related to Franchise Agreements and Multi-Unit Development Agreements we issue, including negotiating supplier contracts for certain services sold to franchisees.

Our affiliate, Smashburger Purchasing Company LLC shares our principal business address (“Smashburger Purchasing”). Smashburger Purchasing negotiates supplier contracts for certain goods and products sold to franchisees, including that Smashburger Purchasing may directly invoice franchisees for such products and services and remit payment to applicable suppliers.

In connection with providing services to us, Smashburger Servicing and Smashburger Purchasing use the services of certain individuals and employees associated or employed with our affiliate Icon Burger Acquisition LLC, which shares our principal business address.

Our affiliate, Smashburger AFT Inc. shares our principal business address (“Smashburger AF Trust”). Smashburger AF Trust is the trustee of the Marketing Fund (as defined in Item 11).

Our affiliate, Smashburger Gift Card LLC shares our principal business address (“Smashburger Gift Card”). Smashburger Gift Card provides stored value card services to franchisees.

Affiliated Franchise Programs

As a result of our ultimate ownership and control by JFC, we are now under common control with other entities offering franchises:

Multiple affiliates offer franchises under the name Jollibee® for restaurants featuring fried chicken, spaghetti, hamburgers, chicken sandwiches, desserts, assorted sides and beverages, and other products and services, including: (1) JFC began offering Jollibee® franchises in the Philippines in 1979, and as of December 31, 2025, 899 franchised Jollibee® restaurants were operating in the Philippines; (2) JBM LLC began offering Jollibee® franchises in the United States in April 2024, and as of December 31, 2025, 3 franchised Jollibee® restaurants are operating in the U.S.; and (3) Jollibee Worldwide Pte. Ltd began offering Jollibee® franchises worldwide in 1985, and as of December 31, 2025, 139 franchised Jollibee® restaurants were operating worldwide outside of the Philippines and the U.S. Jollibee Worldwide Pte. Ltd shares the principal business address of JFC disclosed above for our parent. JBM LLC shares our principal business address.

Super Magnificent Coffee Company (“SMCC Ireland”) has offered franchises for a café concept under the name “The Coffee Bean & Tea Leaf” in the United States since October 2019. “The Coffee Bean & Tea Leaf” locations feature premium coffee beverages, espresso drinks, premium teas, prepackaged coffees, roasted coffee beans and blends, prepackaged teas, baked goods, snacks and other food items. As of December 31, 2025, 82 franchised “The Coffee Bean & Tea Leaf” locations operated in the United States. SMCC Ireland has the principal business address Unit 14, Gray Office Park, Galway Retail Park, Headford Road, Galway, Ireland. SMCC Ireland is also party to a subfranchise agreement with its affiliate CBTL Franchising, LLC (“CBTL”), granting CBTL the right to offer “The Coffee Bean & Tea Leaf” franchises outside of the United States. CBTL has offered “The Coffee Bean & Tea Leaf” franchise internationally since 2001. As of December 31, 2025, 574 franchised “The Coffee Bean & Tea Leaf” locations operate internationally. CBTL has the principal business address 550 S. Hope Street, Suite 2100, Los Angeles, CA 90071.

Milkshop International Co., LTD has been offering franchises for tea shops in Taiwan featuring tea, milk, and coffee beverages, iced desserts, bakery desserts, and other desserts, beverages, products, and accessories since 2012 and using the “Milksha” name for its franchised tea shops since 2018. As of December 31, 2025, 324 franchised “Milksha” tea shops operated outside of the U.S. The principal business address for Milkshop International Co., LTD is 7F-8, No.271, Sec.4, Ximen Rd., North Dist., Tainan City, Taiwan, R.O.C.

None of the affiliates described above has owned or operated any Smashburger Restaurants. Other than as described in this Item 1, neither we nor any of our affiliates offers franchises for any other concept, though they may do so in the future.

Agents for Service of Process.

Our agent for service of process in our jurisdiction of organization is National Registered Agents, Inc., 1209 Orange St., Wilmington, DE 19801. Please see Exhibit A to this Disclosure Document for a list of the names and addresses of our agents for service of process in certain other states.

Prior Experience.

We have developed and operate using certain specified and distinct business formats, methods, procedures, signs, designs, layouts, standards, specifications, and marks (the “Franchise System”) for the establishment, development, and operation of restaurants with a menu featuring gourmet burgers, sandwiches, salads, other food items, shakes, floats, and other beverages in a casual atmosphere

("Smashburger Restaurants"). We have not operated Smashburger Restaurants such as the ones being franchised in this Disclosure Document. None of the affiliates listed above operates any Smashburger Restaurants; however, other of our affiliates have operated Smashburger Restaurants since June 2007. Other than as provided in this Disclosure Document, we do not engage in any other business activities or offer franchises for any other concepts.

The Franchises We Offer.

We offer franchises to operate Smashburger Restaurants. Smashburger Restaurants operate under the name "Smashburger®" and other trademarks, service marks, logos, and commercial symbols we periodically authorize (the "Marks"). Smashburger Restaurants also operate according to the Franchise System. We call the Smashburger Restaurant that you will operate your "Restaurant."

To apply for a franchise, you and, if you are an entity, the entity and each owner of the entity, must first submit a signed application to us (the "Franchise Application") and all information or documents we request about you and your owners and any documents ancillary thereto. Our current form of Franchise Application is attached as Exhibit B.

We may elect to grant you a franchise for a single Smashburger Restaurant, but we will primarily grant qualified persons the right to acquire certain territorial development rights, if they agree to acquire multiple franchises for Smashburger Restaurants within a specifically described geographic territory according to a designated development schedule. Our current form of multi-unit development agreement is attached to this Disclosure Document as Exhibit C (the "Multi-Unit Development Agreement"). If we approve you to sign a Multi-Unit Development Agreement, you and we will agree on the area in which you will open the Restaurants (the "Development Area"), the number of Restaurants to be developed, and a development schedule before you sign your Multi-Unit Development Agreement. We will make all decisions about the number of Smashburger Restaurants that a developer will develop based on our then-current criteria (including, for example, relevant business experience, financial resources, the geographic market, and other factors). The Multi-Unit Development Agreement offers you only certain conditional territorial protections. For each Smashburger Restaurant that you wish to develop in the Development Area, you must submit the proposed development site to us for approval, and if we approve it, you must sign our then-current form of Franchise Agreement for each Smashburger Restaurant that you develop under your development schedule, which may have terms that are materially different than the Franchise Agreement that is attached to this Disclosure Document as Exhibit D. We may require you to sign the first Franchise Agreement and pay the initial franchise fee for that Franchise Agreement to us at the same time you sign the Multi-Unit Development Agreement. We may choose not to enter into a Franchise Agreement with single unit operators.

If you are acquiring your franchise from an existing franchisee, then in addition to signing a Franchise Agreement, you (and your owners) and the existing franchisee (and its owners) must also sign our then-current form of Consent to Transfer (the "Consent to Transfer"). Our current form of Consent to Transfer is attached as Exhibit E to this Disclosure Document.

In some circumstances, we may elect to offer qualified franchisees a franchise for a Special Venue Restaurant. For purposes of this Disclosure Document, a "Special Venue Restaurant" is (1) any kiosk, mobile facility or similar location or type of operation which, because of its inherent operational limitations, is required to offer a limited menu or have a materially different operating format as compared to a traditional Smashburger Restaurant, (2) any location in which foodservice is or may be provided by a master concessionaire, and/or (3) any location which is situated within or as part of a larger venue or facility (other than a mall or shopping center) and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, colleges/universities, convention centers, airports, hotels, sports facilities,

theme parks, hospitals, transportation facilities, convenience stores, and other similar captive market locations). Our decision to offer a franchise for a Special Venue Restaurant will be based on a number of factors, including your previous experience operating businesses at special venues, your financial condition, the proposed location of the Special Venue Restaurant and other factors we determine.

Market Competition.

Your competition includes all restaurant concepts generally, and quick service and fast casual restaurants serving hamburgers specifically. You will be competing both for customers and for locations. In particular, you will be in competition with other “better burger” brands that are operating in and expanding around the United States. The market for food products and services Smashburger Restaurants offer is highly competitive and quickly developing.

Regulations.

Certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, packaging, recycling, and waste management, and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. You must also obtain a liquor license to sell wine and beer, and you may have liability imposed on you by Dram Shop Laws. You must also comply with laws applicable to compensation of employees (including minimum wage, tipped workers, and overtime), business licensure, zoning, real estate and occupational permitting, construction permitting, accessibility for persons with disabilities, sales and use tax, health and safety, and emergency orders related to public health or safety. There may be other laws applicable to your business.

Financial Requirements.

You will be required to maintain sufficient working capital reserves to comply with your obligations under your Franchise Agreements and/or Multi-Unit Development Agreement. On our request, you must provide us with evidence of working capital availability. We may establish certain levels of working capital reserves, debt to equity requirements, borrowing limits, or other liquidity requirements and you must comply with such requirements, as we may modify them periodically. You must at all times ensure you will have sufficient cash and working capital reserves to comply with our requirements and your obligations under your agreements with us.

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer: James Sullivan

Mr. Sullivan has served as our Chief Executive Officer since August 2025. He previously served as our President from February 2025 to August 2025 and as our Chief Development Officer from June 2024 to February 2025, each in College Grove, Tennessee. Prior to that, Mr. Sullivan served as Chief Development Officer at Qdoba Restaurant Corporation from June 2021 to January 2024, in San Diego, California and as Chief Development Officer at CKE Restaurants from July 2017 to May 2021 in Franklin, Tennessee. From January 2024 to May 2024, Mr. Sullivan was between positions.

Chief Financial Officer: Charlie Sayre

Mr. Sayre has served in various roles for us and our affiliates since July 2016, including most recently as our Chief Financial Officer since August 2023. Mr. Sayre has also served as the Head of Finance, North America for Jollibee Food Corporation (USA) since August 2023. Prior to that, Mr. Sayre served as our Vice President, Finance and Strategy from June 2016 to January 2021, and Head of Finance,

North America for Jollibee Food Corporation (USA) from January 2021 to June 2023. From June 2023 to August 2023, Mr. Sayre was between positions. All positions with us and Jollibee Food Corporation (USA) are and were held by Mr. Sayre from Denver, Colorado.

Chief Human Resource Officer: Teggie Bellamy

Ms. Bellamy has served in various roles for us and our affiliates since December 2016, including most recently as our Chief Human Resource Officer since July 2023. Ms. Bellamy has also served as the Head of Human Resources, North America of Jollibee Food Corporation (USA) since January 2023. Prior to that, Ms. Bellamy served as Head of Total Rewards of Jollibee Food Corporation (USA) from December 2020 to December 2022, and our Senior Vice President in Denver, Colorado from December 2016 to December 2020. All positions with us and Jollibee Food Corporation (USA) are and were held by Ms. Bellamy from Denver, Colorado.

Senior Vice President of Franchise Operations: Rod Boyer

Mr. Boyer has served in various roles for us and our affiliates since June 2013, including most recently as our Senior Vice President of Franchise Operations since November 2025. Prior to that, Mr. Boyer served in the following positions with us: (i) Vice President, Operations from February 2025 to November 2025, (ii) Vice President, West from November 2023 to February 2025, and (iii) Vice President, New Restaurant Opening & International Franchise from October 2020 to November 2023. All positions with us are and were held by Mr. Boyer from Denver, Colorado.

ITEM 3
LITIGATION

CONCLUDED PROCEEDINGS:

In re Smashburger IP Holder, LLC, et al., Case No. LA CV19-00993-JAK (filed May 16, 2019). Plaintiffs filed class action lawsuits that were consolidated against us, IP Holder, and Jollibee. Plaintiffs alleged that we engaged in deceptive trade practices advertising the Triple Double Burger. In the amended consolidated complaint, the Plaintiffs removed Jollibee as a party and made no further claims against Jollibee. Plaintiffs alleged the phrases “Triple Double Burger” and “Double the Beef” were misleading. Plaintiffs asserted claims for false advertising, unfair competition, violations of the California consumer protection statute, fraud, breach of express warranty and unjust enrichment. On September 29, 2023, the court approved a class settlement wherein we paid \$2,500,000 for attorneys’ fees, costs, and class member monetary claims. In the alternative to a cash consideration, a class member may obtain up to 10 of 1.5 million vouchers valued between \$2.00 and \$2.49 per voucher. Final judgment was entered October 10, 2023 and the matter was subsequently closed.

Smalls Sliders IP LLC vs Smashburger IP Holder LLC and Smashburger Franchising LLC, Case No. 1:24-cv-03332 (filed December 2, 2024). Plaintiff asserted claims against us and IP Holder for federal trademark infringement, common law trademark infringement (under the laws of the State of Colorado), and unfair competition regarding our use and application for registration of certain trademarks with the U.S. Patent and Trademark Office. We counterclaimed for declaratory judgment finding there was no federal or common law trademark infringement. On October 7, 2025, the parties entered into a settlement wherein the claims between them were resolved amicably. On October 22, 2025, the case was dismissed with prejudice.

In the Matter of The Commissioner of Financial Protection and Innovation v. JBM LLC, State of California, Department of Financial Protection and Innovation, May 19, 2026. Our affiliate, JBM LLC, filed a Notice of Violation in May 2025 to self-report violations of the California Franchise Investment Law (CFIL) arising from its unregistered offer and sale of franchises to a California

franchisee without properly filing a sophisticated franchisee Notice of Exemption under Section 31109. The Department determined the sale and the negotiated amendments signed with such franchisee constituted violations of Sections 31110, 31123, and 31125 of CFIL. JBM LLC entered into a final Consent Order with the Department in May 2026, in which it agreed to desist and refrain from further violations of CFIL, withdraw the Notice of Violation, pay a monetary fine of \$45,000, and complete three hours of remedial training.

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

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Development Fee.

If you elect to enter into a Multi-Unit Development Agreement, then you will pay us a development fee (“Development Fee”) at the time you execute the Multi-Unit Development Agreement. The Development Fee will be an amount equal to \$20,000 multiplied by the number of Restaurants you agree to develop. Typically, depending on the size of the agreed-upon Development Area, our multi-unit developers would agree to develop from 2 to 25 Restaurants over a period of 3 to 11 years. That means that the typical Development Fee would range from \$40,000 to \$500,000. For each Franchise Agreement you sign under the Multi-Unit Development Agreement, we credit the balance of the Development Fee, in \$20,000 increments, toward the initial franchise fee that is due as Franchise Agreements are signed. We will fully earn the Development Fee when you pay it, and you must pay us the fees in one lump sum. These fees are non-refundable and were uniformly imposed in our last fiscal year.

Initial Franchise Fee

You will pay us an initial franchise fee of \$40,000 in lump-sum when you sign the Franchise Agreement. The initial franchise fee is fully earned when paid and non-refundable. During the 2025 fiscal year, we offered discounted initial franchise fees ranging from \$10,000 to \$20,000 to franchisees developing Special Venue Restaurants. If you are executing a Franchise Agreement for an existing Smashburger Restaurant that you are buying from another franchisee, then we will not charge an initial franchise fee provided that we are paid a transfer fee under the Consent to Transfer.

Lease Review Fee.

Under the Franchise Agreement, you must pay us or our designated supplier (which may be an affiliate of ours) a lease review fee of \$1,500 for each lease agreement that you submit to us for our approval. The lease review fee covers the expenses we incur to review your lease and any applicable lease addendum. The lease review fee is paid in a lump sum, is not refundable, and was uniformly imposed in our last fiscal year.

Grand Opening Training.

For the first 2 Restaurants opened by you or your affiliates, we will send a training team to your Restaurant to provide you with guidance for your grand opening, at no additional cost to you. For the third or subsequent Restaurants, we will send a lead trainer to provide you with grand opening guidance, although we may send a training team to assist the lead trainer in providing grand opening guidance for your third or subsequent Restaurant, if we deem it necessary. We will determine the

identity and composition of all training teams and trainers. You must reimburse us the costs and expenses incurred by the lead trainer, and any other trainers or training team we send to provide support for your third or subsequent Restaurant, including the costs of travel, lodging, meals and a per diem to cover the trainers' salary. Currently, we estimate the cost of grand opening training to range from \$0 (for your first and second Smashburger Restaurant) to \$30,000 (which is the high-end of the estimate of \$4,000 to \$30,000 for your third or subsequent Restaurant). These fees are payable in lump sum and are not refundable.

ITEM 6

OTHER FEES

TYPE OF FEE ^{1, 2}	AMOUNT	DUE DATE	REMARKS
Royalty	5.5% of Gross Sales	Weekly	"Gross Sales" include all revenue derived from operating the Restaurant, in whatever form (including student meal cards, meal vouchers, tokens, tickets and comparable methods) but excludes (1) sales, use, or service taxes and (2) documented refunds, credits and discounts to customers and employees. Gift certificate, gift card or similar program payments are included when the gift certificate, gift card, other instrument or applicable credit is redeemed. Gross Sales also include all insurance proceeds received for loss of business and loss of revenue due to a casualty to or similar event.
Proprietary Software and/or Technology Fee	Not currently charged (if charged, estimated at \$150 to \$250 for first year)	Monthly	We may charge you for proprietary software or technology products or services that we license to you. The amount will be determined when imposed, and after imposed, will be subject to change up to 10% per year on a compounding basis.
Marketing Fund	2.25% of Gross Sales (subject to change up to 4% of Gross Sales)	Weekly	Subject to change, up to 4% of Gross Sales, and subject to an aggregate cap on all required marketing of 5% of Gross Sales (the "Marketing Cap").
Local Advertising Cooperative	Not currently charged (subject to change up to 3% of Gross Sales)	Weekly	If established, the co-op will administer advertising programs and develop advertising, marketing and promotional materials for an area with 2 or more Smashburger Restaurants, up to 3% of Gross Sales, subject to Marketing Cap.
Local Advertising	Not currently charged (subject to change up to 3% of Gross Sales)	Monthly	We may require you to spend up to 3% of your Gross Sales each calendar quarter to advertise and promote your Restaurant. We may require that, instead of spending these funds yourself, you pay them to us or our designee. Subject to Marketing Cap.

TYPE OF FEE ^{1, 2}	AMOUNT	DUE DATE	REMARKS
Interest on Late Payment	2% per month or the maximum rate allowed by applicable state law, whichever is lower. \$100 per returned check or ACH denied	As incurred	Interest owed only on past-due amounts. Service fee of \$100 per occurrence for checks returned or ACH requests declined due to insufficient funds.
Transfer Fee – Franchise Agreement	\$15,000	As incurred	Payable in connection with a transfer of your Restaurant.
Transfer Fee – Multi-Unit Development Agreement	Greater of 1% of the purchase price or \$25,000	\$2,500 when you apply for a transfer, the balance prior to the transfer	Payable in connection with a transfer of your Multi-Unit Development Agreement.
Renewal Fee	50% of then-current initial franchise fee	Upon renewal	Payable if we approve you to acquire a successor franchise for your Restaurant.
Inspection Fee	Reimbursement of all inspection costs	As incurred	If any inspection of your Restaurant reveals violations of System Standards and/or we are unable to complete an inspection because we are not granted proper access to your Restaurant or your personnel refuse to cooperate with our inspection staff, you must reimburse our costs for such failed inspection and all subsequent re-inspections and/or follow-up visits, including vendor fees, travel expenses, room and board, and compensation of your employees.
Audit Fee	Reimbursement of all audit costs	As incurred	You must reimburse our costs if examination was done because you failed to provide required reports or reveals a Royalty or Marketing Fund contribution understatement exceeding 2% of the amount that you actually reported.
Interim Operations Fee	10% of Gross Sales plus costs and expenses	As incurred	Due if you abandon or fail actively to operate your Restaurant or the Franchise Agreement expires or is terminated and we are transitioning your Restaurant operations to us or another person we designate, or determining whether to do so.
Product or Supplier Testing	Our direct costs (estimated to be between \$0 to \$250)	As incurred	Paid if you request approval of a new product or supplier.

TYPE OF FEE ^{1, 2}	AMOUNT	DUE DATE	REMARKS
Additional Training	\$250 per diem charge (subject to change), plus our direct costs, including travel	As incurred	Payable if: (a) you request additional training and we agree to provide such additional training, (b) we require additional training because you have failed to comply with our System Standards, (c) you fail to complete our initial training program to our satisfaction. The fee for additional training is subject to change up to 10% per year on a compounding basis.
Insurance	You must reimburse our expenses	As incurred	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for these amounts, plus our expenses.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and our affiliates if any of us is held liable for claims related to your operations, your Restaurant, your breach of the Franchise Agreement or Multi-Unit Development Agreement, or your employment practices. We may also require you to advance us funds to defend indemnifiable claims.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement or Multi-Unit Development Agreement, and we are the prevailing party in any relevant litigation or arbitration.
Music Fees	\$49.08 to \$51.24 per month, plus applicable taxes (subject to change)	Monthly	You must pay Smashburger Purchasing this amount. Monthly fee subject to change by up to 20% per year, or the cost charged by vendors, whichever is higher.
Gift Card Service Fees	\$4.00 to \$5.50 per day, plus applicable taxes (subject to change)	Monthly	You must pay Smashburger Purchasing this amount. Daily fee subject to change by up to 20%, or the cost charged by vendor, whichever is higher.
Gift Card Transaction Fees	14.8% to 30.64% of transaction value of redeemed gift cards, plus applicable taxes	Monthly	You must pay Smashburger Purchasing this amount.
Reimbursement of Vendor Payments	Reimbursement of our costs and expenses	As incurred	We or our affiliates may enter into contracts or other arrangements with vendors on behalf of one or more Smashburger Restaurants. Currently, Smashburger Purchasing is our affiliate responsible for centralized invoicing of supplier payments..
Non-Compliance Charge	Up to \$1,000 per failure to comply with the Franchise Agreement	On demand, the day after non-compliance occurs	You must pay our then-current non-compliance charge if you fail to comply with your obligations under the Franchise Agreement (for example, a failure to pay fees or submit reports when due). In addition to any other remedies we have under the Franchise Agreement as a result of the non-compliance.

TYPE OF FEE ^{1, 2}	AMOUNT	DUE DATE	REMARKS
Development Late Fee – Multi Unit Development Agreement	\$800 per month behind schedule	As incurred	You must pay this fee for each Smashburger Restaurant that you fail to develop by the deadline described in your Multi-Unit Development Agreement.
Printed Manual	Our direct out of pocket costs	As incurred	We do not currently provide printed copies of our Standards of Operations Manual. If you request one (and we agree to provide it) we may require you to pay us a fee to provide such copy.
Online Presence Maintenance Fee	Not currently charged (subject to change)	As incurred	If we provide you with a webpage or other presence on any Franchise System website, you must pay our then current initial fee and monthly maintenance fee for the Online Presences on any Franchise System website that are dedicated to your Restaurant. This amount is subject to change up to our direct costs paid to the vendor.
Tax Reimbursement	You must reimburse our expenses	As incurred	You are responsible for paying all taxes for your Restaurant and must reimburse us for any taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us for these amounts, plus our expenses
Deficiency Correction	Our direct out of pocket costs	As incurred	If you fail to take any of the actions or refrain from taking any of the actions required upon termination or expiration, we may take those action on your behalf and you must reimburse us for all costs and expenses we incur in correcting any such deficiencies.
Appraisal Fees	Direct out of pocket costs (shared equally)	As incurred	If we exercise our right to purchase your Restaurant's assets upon termination or expiration of the Franchise Agreement, and you and we cannot agree on the purchase price, we will retain an independent appraiser and we and you will share the cost of the appraiser.

TYPE OF FEE ^{1, 2}	AMOUNT	DUE DATE	REMARKS
Lost Revenue Damages	Will vary under circumstances	As incurred	Payable if we terminate the Franchise Agreement, or you terminate it without cause. An amount equal to the net present value of the Royalty fees, Marketing Fund contributions and Local Advertising Cooperative contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the earlier of (a) five years following termination, or (b) the scheduled expiration date of the Franchise Agreement. Calculated based on Gross Sales of the Restaurant for the last 12 months of your regular operations of the Restaurant, or if the Restaurant had not been in operation for at least 12 months, then based on the average monthly Gross Sales of all Smashburger Restaurants during our fiscal year immediately preceding the termination.

NOTES

1. Except as otherwise noted, all fees are imposed by and payable to us or our affiliates. All fees are non-refundable. These fees may not be uniform for franchisees signing the Franchise Agreement. Unless otherwise indicated, fees are due under the Franchise Agreement.

2. You must make all payments due under the Franchise Agreement or Multi-Unit Development Agreement in the manner we designate from time to time and you agree to comply with all of our payment instructions. Currently, we require all payments to be made through an electronic funds transfer system that allows us to debit a business account you designate for all amounts you owe us on their due dates or the next business day if the due date is a national holiday or a weekend day. You must ensure that funds are available in your designated account to cover our withdrawals. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date. We may require you to make payments through any other method at any time, and you must comply with our payment instructions. We may change the timing and intervals of your payments with 30 days prior notice to you. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD).

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(MULTI-UNIT DEVELOPMENT AGREEMENT)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Development Fee for Multiple Restaurants ¹	\$40,000 - \$500,000	Lump Sum	On Execution	Us

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
TOTAL ESTIMATED INITIAL INVESTMENT ²	\$40,000 - \$500,000			

NOTES

1. Development Fee. Actual costs will depend on the number of Restaurants specified in the development schedule. Development Fee equals \$20,000 times the number of Restaurants that you agree to open (calculated based on a commitment of 2 to 25 Restaurants). For each Franchise Agreement you must sign under the Multi-Unit Development Agreement, we credit the balance of the Development Fee, in \$20,000 increments, toward the initial franchise fee that is due as Franchise Agreements are signed. The Development Fee is non-refundable. We do not offer financing directly or indirectly for any part of the initial investment.

2. Total Estimated Initial Investment. As described further in Item 1, for each Restaurant that you develop pursuant to the terms of a Multi-Unit Development Agreement, you must execute an individual Franchise Agreement, and incur the costs associated with developing a Smashburger Restaurant under the terms of that Franchise Agreement. The estimate provided above does not include an estimate of any costs incurred under the terms of any individual Franchise Agreement.

YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)

TYPE OF EXPENDITURE ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Initial Fees ²	\$40,000	\$40,000	Lump Sum	On Execution	Us
Leasehold Improvements ³	\$710,000	\$1,257,000	As Arranged	As Invoiced	Landlord/Suppliers
Furniture, Fixtures and Equipment ⁴	\$264,000	\$458,000	As Arranged	As Invoiced	Suppliers
Signage ⁵	\$25,000	\$60,000	As Arranged	As Invoiced	Suppliers
Technology Systems ⁶	\$40,000	\$50,000	As Arranged	As Invoiced	Suppliers
Three Month's Rent ⁷	\$28,000	\$38,000	As Arranged	As Incurred	Landlord
Security Deposit and Business Licenses ⁸	\$0	\$26,000	As Arranged	As incurred	Landlord, Suppliers, Professional Svc. Firms
Opening Inventory and Supplies ⁹	\$20,000	\$28,000	As Arranged	As Invoiced	Suppliers
Grand Opening Advertising ¹⁰	\$10,000	\$15,000	As Arranged	As Invoiced	Suppliers
Training Expenses ¹¹	\$35,000	\$101,000	As Arranged	As Invoiced	Suppliers and Employees
Grand Opening Training ¹²	\$0	\$30,000	As Arranged	As Invoiced	Us

TYPE OF EXPENDITURE ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Miscellaneous Opening Costs ¹³	\$1,000	\$5,000	As Arranged	As Invoiced	Suppliers, State Agencies and Employees
Professional Fees ¹⁴	\$5,000	\$15,000	As Arranged	As Invoiced	Supplier Professionals
Architecture and Building Design Fees ¹⁵	\$20,000	\$50,000	As Arranged	As Invoiced	Supplier
Insurance Premiums – 3 Months ¹⁶	\$20,000	\$40,000	As Arranged	As Invoiced	Insurance Carrier
Liquor Licensing ¹⁷	\$10,000	\$21,000	As Arranged	As Invoiced or On Filing for License	Suppliers and Government Agency
Lease Review Fee	\$1,500	\$1,500	Lump Sum	Submission of Lease	Us or Our Affiliates
Additional Funds - 3 months ¹⁸	\$10,000	\$20,000	As Arranged	As Incurred	Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT¹⁸	\$1,239,500	\$2,255,500			

NOTES

1. All fees payable to us or our affiliates are not refundable. Whether any of the other payments are refundable will depend on the arrangement between you and the supplier.

2. Initial Franchise Fee. Our current initial franchise fee is \$40,000, payable when you sign a Franchise Agreement.

3. Leasehold Improvements. Our estimate for leasehold improvements does not include any tenant improvement allowance that may be granted by landlords towards leasehold improvements. Tenant improvement allowances are site specific and dependent upon several factors, including rent, occupancy levels and local market conditions, which are beyond our control. The cost for leasehold improvements can be impacted by a number of other factors, including size of the Restaurant. For example, Special Venue Restaurants are often smaller than traditional Restaurants. Alternately, in some cases, we will allow experienced operators to include a drive-thru component which will increase the size of its Restaurant. Other factors that might impact the cost of leasehold improvements are the condition of the Premises at the time you sign your lease, and location of the Premises (leasehold improvements for Restaurants developed in urban areas tend to be more expensive).

4. Furniture, Fixtures and Equipment. This estimate includes freight and installation. In addition to normal variances, the range for this item will be impacted by whether the Restaurant is a Special Venue Restaurant, which may have limited space, or includes a drive-thru component, which typically requires additional items to accommodate the additional ordering and service platform.

5. Signage. In addition to normal variances, the range for this item will be greatly impacted by whether the Restaurant is a Special Venue Restaurant, which typically allows for more limited signage, or includes a drive-thru component, which requires installation of drive-thru menu boards.

6. Technology Systems. The range for this item will be impacted by whether the Restaurant includes a drive-thru component which requires additional POS terminals, headsets, and drive-thru ordering terminal.

7. Three Month's Rent. The cost of acquiring or leasing a location for your Restaurant will depend upon the market in which the proposed site is located. A suitable building for a free-standing Traditional Restaurant will range in size from approximately 1,600 square feet to 2,200 square feet (up to 600 additional square feet if we allow a drive-thru component). Local market conditions, changes in the economy and inflation will all contribute to your real property costs. The location of the parcel of real property, adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary, but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of the Restaurant or they may require that you reimburse the landlord for its proportionate share of these payments (plus interest) made on your behalf. Some lease agreements will also require you to pay minimum monthly rent or percentage rent. You must get our approval of your proposed lease before signing it.

8. Security Deposit and Business Licenses. The rent deposit may be refundable under the terms of the lease.

9. Opening Inventory and Supplies. Due to differences in local laws, prices, suppliers, geography and commercial practices, you may elect to carry a larger inventory. Local costs will affect this investment.

10. Grand Opening Advertising. In addition to your contribution to the Marketing Fund, you must spend a minimum of \$10,000 on a grand opening advertising program that we have approved. The grand opening program for the 1st three Smashburger Restaurants includes the obligation to retain a local public relations firm, approved by us, for three months.

11. Training Expenses. This estimate covers the cost for payroll for management and staff training before the opening of your Restaurant. Your costs will depend on the salary you pay your employees, which will be impacted by local market conditions and prevailing wage rates in your geographic area. Our estimate also includes your costs (including, wages, travel and lodging) to send 3 to 4 individuals to attend our initial training program.

12. Grand Opening Training. As described in Item 5, you must reimburse us for sending a lead trainer and/or training team to your Restaurant to provide you with guidance for your grand opening. Currently, we estimate the cost of such grand opening guidance to range from \$0 (for your first and second Smashburger Restaurant, because such guidance is provided free of additional charge) to \$30,000 (which is the high end of the estimate of \$4,000 to \$30,000 you will incur for your third or subsequent Restaurant).

13. Miscellaneous Opening Costs. Typical pre-opening expenses include salaries and living expenses for you and your managers in training, training expenses incurred for staff, pre-opening training menus, related pre-opening marketing and personnel ads. Additionally, you will likely have to prepay or make deposits for various utilities such as gas, electricity, sewer, water, telephone, and garbage disposal. You must obtain state and local licenses, business licenses, vending machine licenses, and games licenses. The costs here do not include liquor licenses (see Note 17 below). You may have to post bonds in order to obtain certain governmental permits.

14. Professional Fees. You may incur professional costs associated with negotiating a lease for your Premises, reviewing this Disclosure Document and the other franchise documents, and forming legal business entities, including costs associated with hiring attorneys or other advisors. Your cost will depend on the amount of services you elect to acquire, and the cost of the advisors you elect to retain.

15. Architecture and Building Design Fees. This estimate covers professional costs, including fees for architectural plans and building designs.

16. Insurance Premiums. You must, at your own expense, keep in force insurance policies for each Restaurant. We may change types and amounts of coverage. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, Gross Sales, number of employees, wages paid, square footage, location, business contents, and other factors bearing on risk exposure. You will likely have to prepay all or a portion of the first year's premiums for insurance. The estimate above assumes that you will prepay the annual insurance premiums for your first year of operations.

17. Liquor Licensing. The cost to obtain a liquor license depends on the licensing authority involved and the local liquor license resale market, if any. Generally, liquor-licensing systems fall into two categories: (a) quota-based systems, and (b) non-quota-based systems. In quota-based systems, the total number of licenses available in a municipality, county or other defined territory is set according to the number of people within the territory. For example, state law may limit the total number of licenses available to one per every two thousand persons. Once the licensing authority has issued the total number of licenses according to the population, the licensing agency will not issue any additional new licenses until a new census is taken that shows an increase in population or until an existing permit expires or is revoked. Most often in quota-based systems, parties seeking licenses will not wait for the next census or wait for a license to expire. Instead, they will purchase a license from an existing licensee. In such situations, the cost of obtaining a license can be greater than the cost of obtaining a license directly from the licensing authority. The new licensee will not only pay fixed license fees to the state, but it will also pay the purchase price to the transferor plus fees for attorney's services and service providers. The licensing agency may or may not regulate the price. The price may simply be set by the market for licenses in a particular location, and that could inflate the price. You should carefully review the system of liquor licensing in your state and review the expected range of costs, if your Restaurant is located in a quota state. In state systems that are not quota-based, the cost of obtaining a state license is usually limited to the fee prescribed by statute or administrative regulation, plus fees for attorney's services and service providers. However, there may be additional costs imposed by a need to obtain a municipal and/or county liquor license, conditional use permit or other governmental approval. There are also federal tax permits required.

18. Additional Funds. Our estimates of the amounts needed to cover your expenses for the start-up phase (3 months from the date the Restaurant opens for business) of your Restaurant include: replenishing your inventory, lease payments, initial advertising and promotional expenditures, uniforms, utilities and other variable costs. The estimated initial investment figures shown above for constructing and opening a Smashburger Restaurant are based primarily on the costs we have observed our franchisees and affiliates incur in opening Smashburger Restaurants. These estimates do not include extensive exterior renovations. These amounts do not include any estimates for debt service on loans that you obtain to finance your Restaurant. Neither we nor our affiliates offer financing directly or indirectly for any part of the initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To maintain the quality and uniformity of all food products, menu items, ingredients, services, products, materials, forms, items, supplies, fixtures, furnishings and equipment utilized in or by Smashburger Restaurants, we may periodically issue certain mandatory standards, specifications, operating procedures and rules for Smashburger Restaurants (the "System Standards"). You must strictly comply with all System Standards. In constructing and operating the Restaurant, we may require you to use only those types of food items, condiments, construction and decorative materials,

fixtures, equipment, furniture and signs and other products and services (“Operating Assets”) that we have approved according to our System Standards for appearance, function and performance. We will not issue to you or to our approved suppliers (except as we deem necessary for purposes of production) the System Standards for proprietary Operating Assets. We will otherwise communicate our System Standards and the approved Operating Assets to you in the prototype architectural plans for a Smashburger Restaurant, in the Standards of Operations Manual (as defined in Item 11) and otherwise in writing.

Approved or Designated Suppliers

As part of our System Standards, we may require you to purchase all Operating Assets from suppliers approved by us in writing or designated by us as the exclusive supplier of such Operating Asset. We will provide a list of approved and designated suppliers in the Standards of Operations Manual or otherwise in writing. Currently, we require you to use our designated vendors for (i) music services, (ii) pest control services, (iii) customer satisfaction surveys, (iv) gift card management and replenishment services, (v) online ordering system management services, (vi) cleaning solutions, (vii) computer hardware and software, (viii) digital menu boards; (ix) real estate brokers; and (x) food, beverage, and paper products and distribution services. In each case, we or our affiliates have negotiated system-wide agreements with the vendors for an agreed upon price per restaurant. We or our affiliates may from time to time elect to pay such vendors directly and invoice you for the costs. Currently, the fees that we pay directly and invoice you for are disclosed in Item 6. You must also purchase all other Operating Assets from suppliers we have approved. We may add, remove, and/or otherwise modify our designated and approved suppliers at any time. We and our affiliates are not currently the approved or sole supplier of any goods or services except for the lease review services. We may in the future designate ourselves or an affiliate as an approved supplier of any goods and any other services that are used in the development or operation of your Restaurant.

As of the date of this Disclosure Document, none of our officers owns an interest in any approved suppliers. We estimate that 95% to 100% of your initial investment and 95% to 100% of your ongoing expenditures will be directed to purchase products and services that will be restricted by us in some manner.

Alternative Products, Services and Suppliers

If you would like us to consider approving a vendor that is not then approved, you must submit your request in writing before purchasing any items or services from that vendor. We will not be obligated to respond to your request, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed vendor (estimated to be up to \$250). We will notify you of our approval or disapproval of all proposed products, services or suppliers in writing to you within a reasonable time, typically within 30 days after receipt of the information from you or from the proposed supplier. We maintain list of criteria for reviewing and approving products, services, and suppliers; however, we do not issue these criteria to you. We may, with or without cause, revoke our approval of any vendor at any time. We may choose not to authorize similar variations or accommodations to you or other franchise owners, and variations or accommodations we grant you for one Smashburger Restaurant are not automatically authorized for other Smashburger Restaurants.

Insurance

You must maintain in force at your sole expense insurance policies for each Restaurant as required under applicable law and in minimum types and amounts of coverage we require. Currently, our requirements include: “all risk” property insurance (replacement cost basis; no coinsurance clause), business interruption insurance (loss of income for at least 12 months; franchisor reimbursement for Royalties, Marketing Fund and other administered fund for events causing closing for more than 48 hours; 60-day period of indemnity), automobile liability (\$4,000,000 combined single limit each

accident; owned, non-owned and hired autos), workers compensation (statutory limits) and employers liability (\$1,000,000 each accident/disease each employee/policy limit), and comprehensive general liability with product and completed operations, broad form contractual liability, personal injury and advertising injury, property damage, and fire and water damage legal liability (at least \$2,000,000 per occurrence, \$4,000,000 products/completed operations, \$2,000,000 liquor liability per occurrence, and \$4,000,000 general aggregate; per location aggregate endorsement required for policies covering multiple locations).

These insurance policies must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Your insurance policies must contain a waiver of subrogation in favor of the additional insureds and provide primary coverage with any insurance policies we maintain being non-contributory.

Purchase Arrangements, Material Benefits and Revenue

In some cases, we or our affiliates will negotiate purchase arrangements, including prices and terms, with designated and approved suppliers on behalf of Smashburger Restaurants. Currently, we have negotiated purchase arrangements, including pricing terms, with our designated suppliers of: (i) music services, (ii) pest control services, (iii) customer satisfaction surveys, (iv) gift card management and replenishment services, and (v) online ordering system management services.

We or our affiliates may derive revenue or other material consideration from direct purchases or leases by our franchisees. Currently, we do not collect any such revenue; however, our affiliate Smashburger Purchasing collects certain amounts from franchisees in connection with centralized billing for third-party services. Smashburger Purchasing in most cases passes the expenses of such services on to the franchisee with no adjustment and does not recognize any revenue from such collections. However, Smashburger Purchasing reserves the right to mark-up the amount it charges franchisees. Currently, Smashburger Purchasing charges a mark-up only on music and gift card services. During our 2025 fiscal year, Smashburger Purchasing derived \$456 from direct purchases by franchisees.

We or our affiliates may also derive revenue or other material consideration from approved suppliers based on purchases made by us, our affiliates or our franchisees of the supplier's products or services (e.g. rebates). The basis for rebates paid to us or our affiliates will depend on the type of product or service supplied, but currently they range from \$0.20 to \$28.13 per unit (that is, a case, gallon, container, or other purchase unit) for food, beverage and other products and services, such as credit card processing services, and approximately \$2,000 per package of equipment. During our 2025 fiscal year, we did not receive any revenue, rebates, or other consideration from vendors on the basis of purchases made by our franchisees. However, during this period, our affiliates received \$1,281,448 (Smashburger Purchasing - \$1,233,448; Smashburger AF Trust - \$48,000) in rebates from approved vendors based on purchases made by franchisees. In certain instances, we share a portion of these rebates with franchisees under rebate programs with approved suppliers. For example, under our beverage supplier program, franchisees may receive rebates based on purchase volumes, which may range from approximately \$256 to \$34,080 annually, depending on purchase levels and applicable service fees. Of the rebates accrued in our 2025 fiscal year, we estimate that approximately \$191,880 will be paid to franchisees under the franchisee rebate programs. Neither we nor our affiliates are obligated to spend funds received from approved suppliers nor are we or they bound to spend such funds in any particular manner or for any particular purpose.

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above. Other than as described above, we do not provide any material benefits to franchisees based on their use of designated or approved suppliers.

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.

OBLIGATION	SECTION IN AGREEMENTS	ITEM IN DISCLOSURE DOCUMENT
A. Site selection and acquisition/lease	Section 2 in Multi-Unit Development Agreement. Sections 2.A and 2.B in Franchise Agreement	Items 8 and 11
B. Pre-opening purchases/leases	Sections 2.C and 2.D in Franchise Agreement.	Items 5, 7, 8, and 11
C. Site development and other pre-opening requirements	Section 2 in Multi-Unit Development Agreement. Section 2 in Franchise Agreement.	Items 7, 8, and 11
D. Initial and ongoing training	Section 4.A in Franchise Agreement.	Item 11
E. Opening	Section 2.E in Franchise Agreement.	Item 11
F. Fees	Section 3 in Multi-Unit Development Agreement. Section 3 in Franchise Agreement.	Items 5, 6 and 7
G. Compliance with System Standards / Standards of Operations Manual	Sections 4.B, 4.C and 8 in Franchise Agreement.	Items 8, 11 and 14
H. Trademarks and proprietary information	Section 4 in Multi-Unit Development Agreement. Sections 5 and 6 in Franchise Agreement.	Items 13 and 14
I. Restriction on products/services offered	Section 8.B in Franchise Agreement.	Items 8 and 16
J. Warranty and customer service requirements	Section 8.E in Franchise Agreement	Not applicable.
K. Territorial development and sales quotas	Sections 2.C in Multi-Unit Development Agreement	Item 12
L. Ongoing product/service purchases	Sections 8.B and 8.D in Franchise Agreement.	Item 8
M. Maintenance, appearance and remodeling requirements	Sections 8.A and 8.I in Franchise Agreement.	Item 11
N. Insurance	Section 8.F in Franchise Agreement.	Item 7
O. Advertising	Section 9 in Franchise Agreement.	Items 6, 8 and 11

OBLIGATION	SECTION IN AGREEMENTS	ITEM IN DISCLOSURE DOCUMENT
P. Indemnification	Sections 8.C in Multi-Unit Development Agreement Sections 5.E, 16.D and 17.J in Franchise Agreement.	Item 6
Q. Owner's participation, management, and staffing	Section 1.E in Multi-Unit Development Agreement. Section 8.C in Franchise Agreement.	Items 11 and 15
R. Records/reports	Section 2.E in Multi-Unit Development Agreement. Section 10 in Franchise Agreement.	Items 6 and 11
S. Inspections/audits	Section 11 in Franchise Agreement.	Items 6 and 11
T. Transfer	Section 6 in Multi-Unit Development Agreement. Section 12 in Franchise Agreement. All Provisions of Consent to Transfer	Items 6 and 17
U. Renewal	Section 13 in Franchise Agreement.	Item 17
V. Post-termination obligations	Sections 7.C, 7.D and 7.E in Multi-Unit Development Agreement. Section 15 in Franchise Agreement.	Item 17
W. Non-competition covenants	Section 5 and 7.D in Multi-Unit Development Agreement. Sections 7 and 15.C in Franchise Agreement.	Item 17
X. Dispute resolution	Section 9 in Multi-Unit Development Agreement. Section 17 in Franchise Agreement.	Item 17

ITEM 10 **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases or other obligations.

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

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

Our Pre-Opening Obligations.

Before you open the Restaurant, we or our affiliates will provide you the following assistance:

- 1) Review and approval or disapproval of sites (Franchise Agreement – Section 2.A; Multi-Unit Development Agreement – Section 2.A)
- 2) Review and approval or disapproval of the lease (Franchise Agreement – Section 2.B)
- 3) At least 6 weeks of initial training for up to 4 persons, including you (and your Operating Partner) and your Designated Manager (if applicable), at a location we designate, which may be virtual. (Franchise Agreement – Section 4.A)
- 4) For the first 2 Smashburger Restaurants opened by you or your affiliates, at no additional cost to you, we will send a training team to your Restaurant to provide grand opening guidance. For the third or subsequent Restaurants, we will send a lead trainer to provide guidance for the grand opening of the Restaurant, although we may send a training team to assist the lead trainer for your third or subsequent Restaurant if we deem it necessary. We will determine the identity and composition of all training teams and trainers. You must reimburse us the costs and expenses incurred by the lead trainer, and any other trainers or training team we send to provide guidance for your third or subsequent Restaurant, including the costs of travel, lodging, meals, and a per diem to cover the trainers' salary. Our trainer(s) will determine the amount of support necessary for your grand opening. (Franchise Agreement – Section 4.A)
- 5) Access to our Standards of Operations Manual (Franchise Agreement – Section 4.C)
- 6) Provide you our then-current prototype plans and specifications for all required equipment (including the Technology Systems), furniture, fixtures, and signs and lists of approved suppliers or vendors We do not directly provide, deliver, or install any equipment, signs, fixtures, opening inventory, and supplies for our franchisees. (Franchise Agreement – Sections 2.C, 4.B and 8.D)

We may use the resources of our affiliate, Smashburger Servicing, in performing certain of our obligations listed above.

Opening of Your Restaurant

You must obtain and maintain a site acceptable to us for your Restaurant. If you have signed a Multi-Unit Development Agreement, the site must be located in the Development Area. We will approve or disapprove your proposed sites based on our then-current criteria, including factors such as business count, traffic count, accessibility, parking, visibility, competition and liquor license availability. When you have given us all the necessary information on the site you have selected, we generally will approve or disapprove the site within 30 days. Once we approve, and before you obtain possession of the site, you must sign a Franchise Agreement. You must also secure possession of the site by signing a lease or other possession agreement, and we recommend that you retain an attorney to assist you with that process. You may not sign a lease or other agreement to obtain occupancy rights without our approval.

If you do not locate and sign a lease or other possession agreement for an acceptable site within 180 days of signing the Franchise Agreement, we may terminate the Franchise Agreement. We typically do not own or lease the site where your Restaurant is located.

Unless you have signed a Multi-Unit Development Agreement specifying a different opening deadline, you must open your Restaurant, by the earlier of (i) 150 days after you sign a lease for the premises of your Restaurant, or (ii) 12 months after the date of the Franchise Agreement. If you fail to open your Restaurant within this time, we may terminate the Franchise Agreement and retain the entire franchise fee. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, liquor license, delivery and installation of equipment, and renovation of the premises. The typical length of time between signing the Franchise Agreement and opening the Restaurant is 6 to 10 months.

Our Obligations During the Operation of Your Restaurant.

During the operation of your Restaurant, we will:

- 1) Provide you our System Standards and other suggested standards, specifications and procedures for Smashburger Restaurants (Franchise Agreement – Section 4.B)
- 2) Advise you of what purchasing is required and what authorized Operating Assets and other products and services are required (Franchise Agreement – Section 4.B)
- 3) Provide you assistance with advertising and marketing materials and programs (Franchise Agreement – Sections 4.B and 9.A through D)
- 4) Provide you with a list of authorized vendors and suppliers for the products, goods, merchandise, supplies, signs, furniture, fixtures, equipment and services (Franchise Agreement – Section 8.D)
- 5) Periodically set a maximum or minimum price that you may charge for products or services offered by your Restaurant, unless prohibited by law (Franchise Agreement – Section 8.G)

We may use the resources of our affiliate, Smashburger Servicing, in performing certain of our obligations listed above.

Advertising and Promotion Programs:

We may modify the amount that you must contribute to a national marketing fund or a local advertising cooperative, or that you must spend on your own local marketing, subject to the Marketing Cap for each Smashburger Restaurant.

Marketing Fund.

You must contribute to a marketing fund for Smashburger Restaurants (the “Marketing Fund”). Currently the amount of your contribution is 2.25% of your Gross Sales, payable in the same manner as the royalty. Subject to the Marketing Cap, we have the right to change the amount of your contribution to the Marketing Fund, up to 4% of your Gross Sales. The contribution to the Marketing Fund is not uniform for all franchisees. Smashburger Restaurants that we or our affiliates own in the United States contribute to the appropriate Marketing Fund on no less than the same percentage basis as franchisees, though we may contribute more than we then require of franchisees. During our prior fiscal year, the Marketing Fund was used to pay for media production such as website, menu development and branding (9.76%), media placement such as promotions, advertising, sponsorships and marketing (82.76%), other expenses such as research (0.27%) and administrative expenses (7.21%). In our prior fiscal year, no portion of the Marketing Fund was used to solicit new franchisees.

We or our affiliates or other designees will direct all programs that are developed or presented by the Marketing Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a Franchise System website and related strategies; administering

regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices, implementing a loyalty program or other marketing programs designed to encourage the use of Smashburger Restaurants; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

We may use the Marketing Fund to reimburse ourselves or our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund’s other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Marketing Fund contributions.

The Marketing Fund will not be our asset. We do not owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. We will hold all Marketing Fund contributions for the benefit of the contributors. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If any Marketing Fund funds are not spent in any fiscal year, such funds will be retained by the Marketing Fund for future use. We will use all interest earned on the Marketing Fund contributions to pay costs before using the Marketing Fund’s other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses. We will give you the most-recently available statement upon written request. We may have the Marketing Fund audited annually, at the Marketing Fund’s expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. Currently, the Marketing Fund is administered by our affiliate Smashburger AF Trust.

We intend for the Marketing Fund to promote recognition of the applicable Marks, the Smashburger brand and patronage of Smashburger Restaurants generally. Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Smashburger Restaurants contributing to the Marketing Fund, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by Smashburger Restaurants operating in that geographic area or that any Smashburger Restaurant benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

We may at any time defer or reduce contributions of a Smashburger Restaurant franchise owner and, upon 30 days’ prior notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will spend all unspent monies in accordance with our then-current marketing policies, until such amounts are exhausted. At the end of each fiscal year, all unspent amounts in the Marketing Fund will carry-over to be used for the subsequent years.

We may elect to maintain multiple Marketing Funds, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds or the administration thereof, provided that each Marketing Fund will remain subject to the terms of the Franchise Agreement.

Local Cooperative Advertising.

We or our affiliates may establish or direct the establishment of a local advertising cooperative (“Local Advertising Cooperative”) in geographical areas in which 2 or more Smashburger Restaurants are operating. The Local Advertising Cooperative will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchisees to review. We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative’s purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. If, as of the time you sign the Franchise Agreement, we have established a Local Advertising Cooperative for the geographic area in which your Restaurant is located, or if we establish a Local Advertising Cooperative in that area during the Franchise Agreement’s term, you must sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as those documents require.

If we establish a Local Advertising Cooperative in your geographic area, then you must pay us a weekly Local Advertising Cooperative contribution of up to 3% of your Gross Sales, subject to the Marketing Cap. Your Local Advertising Cooperative contribution is payable in the same manner as the Royalty. These contributions may be capped based on the provisions of the by-laws adopted by the local advertising cooperative, subject to our approval. You will pay these monies to us electronically and we will remit them periodically to the Local Advertising Cooperative. Smashburger Restaurants that we or our affiliates own in the United States will not contribute to the appropriate Local Advertising Cooperative on the same percentage basis as franchisees.

Each Smashburger Restaurant contributing to a Local Advertising Cooperative will have 1 vote on matters involving the activities of the particular Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We will assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. Subject to our approval, the Local Advertising Cooperative will have sole discretion over the creative concepts, materials and endorsements used by it.

You must submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative requires. Local Advertising Cooperatives are not required to prepare annual financial statements, nor are they required to provide any prepared financial statements to participating franchisees for their review.

You understand and acknowledge that your Restaurant may not benefit, either directly or in proportion to its contribution to the Local Advertising Cooperative, from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Smashburger Restaurants will be developed separately, and no cooperative will be intended to benefit the others.

Your Local Advertising

You are solely responsible for conducting all local advertising for your Restaurant. You must advertise and market your Restaurant in any advertising medium we determine, using forms of advertisement we approve. You must also list your Restaurant with the online directories and subscriptions we periodically prescribe, and/or establish any other Online Presence we require. You must comply with all of our System Standards for all advertising for your Restaurant.

We may require that you spend, beginning after you complete your grand opening advertising obligations discussed below, at least 1% of your Gross Sales each calendar quarter to advertise and

promote your Restaurant (this may include costs of yellow pages advertising); provided, however, that if you operate 2 or more Restaurants, then we may require you to spend at least 3% of your Gross Sales each calendar quarter to advertise and promote your Restaurants. In each case, your local advertising expenditure requirement will be subject to the Marketing Cap. Any amount of Local Advertising Cooperative contribution you make will be set off against amounts required to be spent by you for local advertising. Within 30 days after the end of each month, you must send to us an accounting of your expenditures for local advertising and promotion during the preceding month.

At any time, we may require you to pay the amounts required for local marketing to us or our designee. We may at any time, on one or more occasions, cease collecting all or part of the local advertising expenditure or change the proportion of the local advertising expenditure that you must pay us or our designees

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. At least 20 days before you use them, you must send to us samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved for approval. If you do not receive written approval within 10 days after we receive the materials, they are deemed to be disapproved. Once we approve the materials, you are permitted to use them. However, we may withdraw our approval at any time and for any reason. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Online Presences

Except as approved by us in writing or in the Standards of Operations Manual, you may not develop, maintain or authorize any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind (“Online Presence”) that mentions your Restaurant, links to any website relating to the Franchise System, or displays any of the Marks. You may also not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior written approval. If we approve the use of any such Online Presence in the operation of your Restaurant, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites and/or maintaining an online privacy policy. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you must grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

Grand Opening Advertising.

In addition to your other advertising obligations, you must spend at least \$10,000 for a grand opening marketing program for your Restaurant to take place on the dates we designate before and after your Restaurant opens. You must spend this amount in addition to all other amounts you must spend on advertising specified above, and the amount you spend on grand opening advertising will not count towards your local marketing expenditure for such year, or your Marketing Cap. For the 1st three Smashburger Restaurants this includes the obligation to retain a local public relations firm, approved by us, for three months. You must use the media and materials we develop or approve in connection with the grand opening advertising program.

Franchise Advisory Council.

We do not have a franchisee advisory council that advises us on advertising policies, though we may establish such a council in the future.

Technology Systems

You must acquire and use all hardware, software, technology, and other systems that we specify from time to time, including computer, point-of-sale systems, financial and reporting software, telecommunications, security and similar systems, together with the associated hardware, software, applications, integrations, and related equipment and services (collectively, the “Technology Systems”). The Technology Systems currently consists of software, POS terminals, a POS server, cash drawers, printers, a personal computer including Microsoft Office, a managed switch, kitchen video monitors, remote printers, magnetic swipe-card, pin or chip readers, DSL or other high-speed connections, managed security services, firewall, office printer/scanner, related cabling and a maintenance contract.

Your Technology Systems will enable you to collect information about customer orders, sales by hour/day/period and inventory. We will have the ability to access your cash system and computer. There are no contractual limitations on our and our affiliates’ right to access this information and data.

You must purchase all of the above items from our approved vendor. Your cost to purchase the Technology Systems will range between \$40,000 to \$50,000. You will be responsible for paying for access to our approved suppliers of hosted software services for an annual amount of approximately \$1,861 per year. The annual cost for IT help desk services and hardware depot program will be approximately \$1,765 per year, although this amount may change. We currently estimate that the annual cost of maintenance, updating, upgrading of the Technology Systems as it presently exists will range from \$0 to \$4,000.

You must upgrade your hardware and software when we decide it to be necessary and at your own cost. We reserve our right to update System Standards, which includes computer hardware and software from time to time and there are no contractual limitations on these rights.

Standards of Operations Manual

We provide information about our System Standards and other guidance through manuals and bulletins, including the operations manual (the “Standards of Operations Manual”), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available through the internet, other electronic media, or written materials. We currently only make our Standards of Operations Manual available through on a website we maintain. You must monitor and access that website for any updates to the Standards of Operations Manual. Any passwords or other digital identifications necessary to access the Standards of Operations Manual will be deemed to be part of our confidential proprietary information. The current Standards of Operations Manual is comprised of approximately 405 pages if printed. The table of contents to the current Standards of Operations Manual with approximate printed page numbers is attached as Exhibit I.

Training Program

The initial training program involves approximately 6 weeks of training at one of our principal offices (currently, Denver Colorado) or at another location we designate and on-site training at your Restaurant immediately before the scheduled opening. We may change the location of the initial training program to another location we designate. We may lengthen, shorten or restructure the contents of this program. The on-site training at your Restaurant will not commence until all improvements have been completed, a certificate of occupancy has been issued and the required liquor license has been applied for. We offer the training program on an as needed basis throughout the year.

No later than 60 days before you open your Restaurant, you (or your Managing Owner) and Designated Manager (if applicable) and such other representatives that we specify taking into account your organization, infrastructure and experience (the “Mandatory Trainees”). If we determine that the Mandatory Trainees cannot successfully complete initial training to our satisfaction, we may terminate your Franchise Agreement. Training materials include management training program materials, team member training materials and the Standards of Operations Manual. All Mandatory Trainees must successfully complete the program to our satisfaction. We will schedule the program based on the Mandatory Trainees’ availability, availability of space in the program, training restaurant availability and the projected opening date for your Restaurant. We may vary the contents or duration of the initial training program based on the experience, role, responsibilities of your attendees, and other factors we determine. Although we provide initial training for no additional fee for up to four Mandatory Trainees, you must pay for all travel and living expenses which all Mandatory Trainees or other attendees of the training program incur and for your employee's wages and workers' compensation insurance while attending training.

The initial training program is designed to cover all phases of the operation of Smashburger Restaurants. Any individual attending the training who has not signed the form of Guarantee and Assumption of Obligations attached to the Franchise Agreement must execute a confidentiality agreement in the form approved by us. You may request additional training for the Mandatory Trainees at the end of the initial training program, to be provided at our then current per diem charges, if you do not feel that the Mandatory Trainees were sufficiently trained in the operation of a Smashburger Restaurant. We and you will jointly determine the duration of this additional training. However, if the Mandatory Trainees successfully complete our initial training program to our satisfaction, and you have not expressly informed us in writing at the end of that program that you do not feel that your Mandatory Trainees were sufficiently trained in the operation of a Smashburger Restaurant, then you and they will be deemed to have been trained sufficiently to operate a Smashburger Restaurant.

We may require you (or your Managing Owner), your Designated Manager (if applicable) and other previously trained and experienced persons to attend and successfully complete various training courses that we periodically designate to our satisfaction, including courses and programs provided by third-parties, at times and locations that we designate. Besides attending these courses, you (or your Managing Owner), your Designated Manager, and any other Mandatory Trainees (if applicable) must attend an annual meeting of all Smashburger Restaurant franchise owners at a location we designate. Attendance will not be required for more than 4 full days (which may be spread over more than 4 days if certain courses are not full-day courses) during any calendar year. You must pay all costs to attend.

You will be solely responsible for the compensation, travel, lodging and living expenses you and your personnel incur while attending our initial training program or any refresher training course. We do not provide initial training for your third or subsequent Smashburger Restaurants. If you request or we determine it is necessary to provide you with training for your third or any subsequent Smashburger Restaurant, you will pay our then-current per diem charge for additional training.

If you have a new Managing Owner or Designated Manager, the new Managing Owner or Designated Manager must successfully complete our then current initial training program to our satisfaction. We may charge reasonable fees for training a new Managing Owner or Designated Manager. You also agree to pay all travel and living expenses which your Managing Owner or Designated Manager incurs during all training courses and programs.

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Orientation/Training Overview	5	0	At training facility we designate, or virtually
Back of House Functional Training	N/A	42	At training facility we designate, or virtually
Front of House Functional Training	N/A	42	At training facility we designate, or virtually
Restaurant Management Training	N/A	160	At training facility we designate, or virtually
POS/Menu link Training	N/A	15	At training facility we designate, or virtually
New Restaurant Opening Procedures	N/A	5	At training facility we designate, or virtually
TOTAL	5	264	

The hours devoted to each manager positions are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling. On-the-job training includes cross training in all subject areas of the business. We may also choose to conduct any or all support, inspections, training, or other services virtually, and you must comply with our instructions for all virtual programs.

If you are developing your first or second Smashburger Restaurant, then at no additional cost to you, we will send a training team to your Restaurant to provide you with guidance for your grand opening (and we will determine the identity and composition of that training team). If this is your third or subsequent Smashburger Restaurant, then we will send a lead trainer to provide you with grand opening guidance, although we may send a training team to assist the lead trainer in providing grand opening guidance for your third or subsequent Restaurant, if we deem it necessary (and we will determine the identity and composition of that training team). You must reimburse us the costs and expenses incurred by the lead trainer, and any other trainers or training team we send to provide support for your third or subsequent Restaurant, including the costs of travel, lodging, meals and a per diem to cover the trainers' salary (estimated to be between \$4,000 to \$30,000). Our trainer(s) will determine the amount of required time and guidance necessary for your grand opening.

Caleb Grose will oversee the training program. Mr. Grose has 8 months of experience with us and our affiliate and 25 years of experience the subjects taught. Certain other employees of ours and of our affiliates may also participate in the training programs.

ITEM 12 **TERRITORY**

Multi-Unit Development Agreement

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

The Multi-Unit Development Agreement grants you the right to acquire franchises to develop, own and operate Smashburger Restaurants within the designated Development Area. The Multi-Unit Development Agreement establishes deadlines by which you must: (a) sign Franchise Agreements for Smashburger Restaurants to be developed at sites we have approved, and (b) develop and open such Smashburger Restaurants. To count as an opened Smashburger Restaurant you must have signed our then-current form of Franchise Agreement (which may be different than the form attached to this Disclosure Document), paid all associated fees, execute an approved lease for an approved site, secure our approval to open the Smashburger Restaurant after satisfying all terms of the Franchise Agreement, and actually open the Smashburger Restaurant for business. Your deadlines for opening Smashburger Restaurants will be agreed on by you and us before you sign the Multi-Unit Development Agreement. If you fail to comply with the designated schedule, then we may: (i) terminate your Multi-Unit Development Agreement, (ii) terminate or reduce your territorial protections in the Development Area, and/or (iii) require you to pay \$800 per month for each Smashburger Restaurant that you were required to have opened for each month you are behind schedule. The site selection and lease approval process will be governed by the terms of your individual Franchise Agreement for each such Smashburger Restaurant.

The boundaries of the Development Area will be described by counties, states, or other boundaries when appropriate, or by an area encompassed within a circle having a radius of a specific length. We will determine the Development Area we will offer to you before you sign the Multi-Unit Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors. When the Multi-Unit Development Agreement expires or is terminated, your protection in the Development Area also ends, and your only territorial protections will be under the Franchise Agreements you may have entered into before the expiration or termination of the Multi-Unit Development Agreement.

Your Development Area will be designated in, and prior to your signing, your Multi-Unit Development Agreement as “non-exclusive” or “protected.”

Non-exclusive: If designated as “non-exclusive,” we will be free to grant development rights to others, to grant franchises to others, to ourselves to own or operate Smashburger Restaurants, or conduct any and all other business activities we determine, in any event, without regard to whether such rights will be in competition with the rights granted to you, and in any location worldwide, including the Development Area. You may be in competition with us or with others to whom we have granted or may in the future grant development rights or franchises for the Development Area, including with respect to locating and securing sites for the development of Smashburger Restaurants.

Protected: In certain circumstances (typically depending on the number of Smashburger Restaurants to be developed), we may agree to designate your Development Area as “protected.” In that event, we will not, except as provided below, establish or license others to establish Smashburger Restaurants within your Development Area during the term of the Multi-Unit Development Agreement, so long as you are in compliance with the Multi-Unit Development Agreement and all your Franchise Agreements and other agreements with us and our affiliates. Despite such protection, however, we and our affiliates retain the right to (1) establish and operate, and allow others to establish and operate, any Special Venue Restaurant, and/or and selling products sold by a Smashburger Restaurant at or through any nontraditional venues, including temporary or seasonal facilities, recreation parks or facilities, or business operated within any larger venue or closed market, at any location in the world, including in the Development Area; (2) establish, operate and allow others to establish and operate, Smashburger Restaurants using the Marks and the Franchise System, at any location outside the Development Area (if you’ve been granted a “protected” territory in the Development Area) on such terms and conditions we deem appropriate; (3) establish, operate, and allow others to establish and operate restaurants that

may offer products and services which are identical or similar to products and services offered by Smashburger Restaurants, under other trade names, trademarks, service marks and commercial symbols different from the Marks; (4) establish and operate, and allow others to establish and operate, other businesses and distribution channels (including retail, wholesale, internet, or other digital presences of any kind), wherever the channels operate, or the customers are located, and including businesses using the Marks and selling products sold by a Smashburger Restaurant, (5) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (as defined in Item 17), and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area), (6) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any Competitive Business, even if such business operates, franchises or licenses such businesses in the Development Area, (7) operate or grant a third party the right to operate any Smashburger Restaurants that we or our designees acquire as a result of an exercise of a right of first refusal or purchase right under a Franchise Agreement, and (8) engage in all other activities not expressly prohibited by the Multi-Unit Development Agreement.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Development Area. Other than as granted under the Multi-Unit Development Agreement, you are not granted any options, rights of first refusal or similar rights to acquire additional development rights.

We may terminate and/or reduce your Development Area, if you violate your Multi-Unit Development Agreement (including failing to comply with the development scheduled specified therein) and/or violate any other agreements between you and your affiliates and us and our affiliates. Otherwise, continuation of your Development Area under the Multi-Unit Development Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Franchise Agreement

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.

The Franchise Agreement grants you the right to operate a Smashburger Restaurant at a single location that you select and we approve. If you have not signed a Multi-Unit Development Agreement, you and we will agree on the location prior to signing the Franchise Agreement. If you have signed a Multi-Unit Development Agreement, the location will be one that you select and we approve within the Development Area. If you are submitting a site to us for our approval under a Multi-Unit Development Agreement, then we will approve the site based on our then-current criteria prior to the time you sign a Franchise Agreement for that location. You must operate the Restaurant only at the approved location and may not relocate the Restaurant without first obtaining our written consent. You may not establish or operate another Restaurant unless you enter into a separate Franchise Agreement for that Restaurant.

You are allowed, subject to our approval, to promote your Restaurant anywhere and through any channel of distribution. But you may not sell products or services outside of your Restaurant (or through approved delivery programs), including through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing, without our consent.

Under the Franchise Agreement, we retain the right to (1) establish and operate, and allow others to establish and operate, Smashburger Restaurants using the Marks and the Franchise System, at any location on such terms and conditions we deem appropriate; (2) establish and operate, and allow others to establish and operate, restaurants, that may offer products and services which are identical or similar to products and services offered by Smashburger Restaurants, under other trade names, trademarks, service marks and commercial symbols different from the Marks; (3) establish, and allow others to establish, other alternative distribution channels (including through any Online Presence), wherever

located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Smashburger Restaurants, and that sell products or services that are identical or similar to, or competitive with, those that Smashburger Restaurants customarily sell; (4) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses, and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (5) be acquired by any other business, including a Competitive Business, even if such business operates, franchises or licenses such businesses in close proximity to the Restaurant; (6) operate or grant any third party the right to operate any Smashburger Restaurant that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under any agreements; and (7) engage in all other activities not expressly prohibited by the Franchise Agreement. We are not required to pay you if we exercise any of these rights.

If, at any time during the term of the Franchise Agreement, you determine that, despite using your good faith efforts, it is no longer economically feasible to operate the Restaurant at the previously approved location, then we will consider, in good faith, your request to relocate the Restaurant to a new site within the Development Area described in the Multi-Unit Development Agreement. However, we will not be required to consider any request to relocate the Restaurant if you are not then in compliance with the Franchise Agreement. Any right to relocate the Restaurant shall be subject to our approval of the proposed new site, and your development of the new Restaurant at the new approved site in accordance with the terms and conditions of the Franchise Agreement and in accordance with a timetable to which we agree at the time we grant our approval (including a timetable for closing of the Restaurant at the existing location and re-opening the Restaurant at a new site.) Any request for relocation and any approvals we grant in connection must be in writing.

If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, then we may limit the geographic area in which you may offer such services, and we may modify that geographic area periodically. You will have no territorial protection of any kind in any delivery or off-site service territory, other than as described above for the Protected 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.

We are not required to pay you if we solicit or accept orders from customers inside the Protected Territory. The Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises.

We may reduce or terminate your Protected Territory if you violate your Franchise Agreement, Multi-Unit Development Agreement, and/or any other agreements between you and your affiliates and us and our affiliates. Otherwise, continuation of your territorial protection under the Franchise Agreement and Multi-Unit Development Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Affiliated Franchise Brands

As described further in Item 1, certain of our affiliates offer franchises for the “Jollibee” concept, “Milksha” concept, and the “The Coffee Bean & Tea Leaf” concept. Each of these affiliates may periodically offer products and services that are similar to those offered by Restaurants, or which may be competitive with Restaurants. These affiliated restaurants may operate, or solicit or accept orders at any location, including within your Development Area, if you have signed a Multi-Unit Development Agreement. If a conflict should arise between any Restaurant and any other restaurant operated or franchised by an affiliate of ours, we will analyze the conflict and take any action (or no action) as we

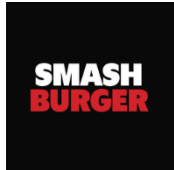
deem appropriate. The principal business addresses of each of our affiliates offering franchises are each described in Item 1. Currently, we share a principal business address with JBM LLC, the U.S. franchisor of the Jollibee® brand, otherwise each of these affiliated brands currently operates from corporate offices and training facilities that are separate from the offices and facilities used by us and our affiliates for the “Smashburger®” concept and Franchise System.

ITEM 13 **TRADEMARKS**

The Marks are owned by our affiliate, IP Holder, which, under an Intellectual Property and Products Designation License Agreement, dated May 15, 2013 (the “License Agreement”), granted us a license to use and sublicense the use of the Marks. The License Agreement has a term of 99 years from May 15, 2013, and can be terminated on 30-days’ notice if we materially breach the License Agreement and fail to cure the breach or cease to be an affiliate of IP Holder (resulting in the loss of our right to use and to sublicense the use of the Marks). Your rights to use the Marks under the Franchise Agreement will not be affected by the termination of our license. All rights in and goodwill from the use of the Marks accrue to us and our affiliates.

If we decide to modify or discontinue the use of any component of the Marks or the Franchise System, you must, at your expense, comply with our directions to modify or otherwise discontinue the use of the Marks or the Franchise System, within a reasonable time after our notice to you.

The following table sets forth the status of applications and registrations with the U.S. Patent and Trademark Office for our principal trademarks. All such Marks that have been registered for are on the Principal Register. All required affidavits of use have been filed in a timely manner.

Mark	Registration Number / Application Number	Registration Date / Application Date
SMASHBURGER	Reg. No. 3,531,675	Reg. Date: November 11, 2008
SMASH	Reg. No. 3,644,558	Reg. Date: June 23, 2009
SMASH BURGER	Reg. No. 5,078,138	Reg. Date: November 8, 2016
SMASHBURGER	Reg. No. 5,257,792	Reg. Date: August 1, 2017
SMASH	Reg. No. 5,901,241	Reg. Date: November 5, 2019
	Reg. No. 7,060,579	Reg. Date: May 23, 2023
	Reg. No. 7,060,571	Reg. Date: May 23, 2023
	App. No. 99,733,723	App. Date: March 30, 2026

Mark	Registration Number / Application Number	Registration Date / Application Date
	App. No. 99,733,807	App. Date: March 30, 2026

There is presently no effective determination of the US. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks.

We do not have a federal registration for each of our principal trademarks. Therefore, our unregistered trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use any unregistered trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must notify us immediately of any apparent infringement or challenge to your use of the Marks or component of the Franchise System, or of any person's claim of any rights in the Marks or component of the Franchise System, and not to communicate with any person other than us, our affiliates and our and their attorneys, and your attorneys, regarding any infringement, challenge, or claim. We will reimburse you for your costs of taking any action that we or our affiliates have asked you to take. Further, we agree to reimburse you for all damages and expenses that you incur in defending any trademark infringement proceeding disputing your authorized use of the Marks under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from your use of any Mark. If we choose to control the defense of any such proceeding, we may choose our own legal counsel and other similar representatives, and we will not be liable to you or any of your affiliates or representatives for any costs or expenses incurred on the basis of any additional or separate legal counsel or similar representatives you or they retain. Other than as described above, we are not obligated to participate in your defense or indemnify you for any expenses or damages if you are party to an administrative or judicial proceeding, or if a proceeding is resolved unfavorably to you.

Other than as stated above, we do not know of any superior rights or infringing uses that could materially affect your use of the Marks in this state or in any state where the Restaurant is to be located.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own or license to you any patents that are material to the franchise. We have not filed any patent applications that are material to the franchise.

We or our affiliates claim copyright protection for the Standards of Operations Manual and for any other written materials we develop to assist you in the development and operation of the Restaurant. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement

to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

Confidential Information

In connection with your franchise under the Franchise Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and operation of Restaurants (“Confidential Information”), including: (1) site selection criteria; (2) training and operations materials and manuals, including recipes and the Standards of Operations Manual; (3) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating Smashburger Restaurants; (4) market research, promotional, marketing and advertising programs for Smashburger Restaurants; (5) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies; (6) any computer software or similar technology which is proprietary to us, our affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of any Smashburger Restaurants; (8) customer data, including names, addresses, telephone numbers, email addresses, buying habits, purchase history, preferences, demographic information and related information, opt-in/opt-out preferences, and information regarding the exercise of any other privacy rights; and (9) any other data, materials, and/or information that is created by, stored in, and/or derived from your Technology Systems in connection with your Restaurant; and (10) any other information designated as confidential or proprietary by us or our affiliates.

All Confidential Information is exclusively owned by us or our affiliates and is proprietary to our System (other than certain personally identifiable information relating to your employees and personnel, and/or certain other data that we do not have access to or are otherwise designated or restricted by us). You must and must cause your representatives to: (a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Restaurant in accordance with your Franchise Agreement, (b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish, and our and our representative’s instructions; (c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Restaurant in accordance with your Franchise Agreement (you will be responsible for any violation of this requirement by any of your representatives or employees); (d) not make unauthorized copies of any of our Confidential Information; (e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of the Franchise Agreement (and we reserve the right to designate or approve the form of confidentiality agreement that you will use, except that you are responsible for ensuring that such form complies with applicable laws); and (f) at our request, destroy or return any of the Confidential Information. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

As it relates to any “personally identifiable information” that constitutes part of our Confidential Information, you must also: (a) process, retain, use, collect, and disclose all such personally identifiable information only in strict accordance with all applicable laws, regulations, orders, the guidance and

codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to such personally identifiable information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete opt-out of, or limit activities relating to any such personally identifiable information.

Innovations

We are the sole owner of all right, title, and interest in and to the proprietary components of our Franchise System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to any component of the Franchise System, including any new or modified systems of operation, and any Confidential Information made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, will be owned solely by us. If you, your employees or your contractors are deemed to have any interest in such intellectual property, you must assign all right, title and interest in and to such innovations to us.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Multi-Unit Development Agreement

If you are an entity, then you must identify one of your owners who is a natural person with at least a 25% ownership interest and voting power in you (the “Managing Owner”). We may require our approval of the Managing Owner. Either you (or the Managing Owner) must devote an amount of his, her, or their business time and efforts to the operation, promotion and enhancement of the business under the Multi-Unit Development Agreement which is reasonable given your undertakings in the Multi-Unit Development Agreement and in light of the business that the Multi-Unit Development Agreement contemplates. You (or the Managing Owner) must supervise the development and operations of Smashburger Restaurants franchised under the Multi-Unit Development Agreement on a full-time basis. If you are a legal entity, then each of your owners must sign a guaranty of your obligations under the Multi-Unit Development Agreement (the form is attached as an exhibit to the Multi-Unit Development Agreement). Each person signing a guaranty assumes and agrees to discharge all of your obligations (i.e., the developer’s) under the Multi-Unit Development Agreement. If any owner is an individual, then his, her, or their spouse must consent in writing to that owner’s execution of the guaranty. Each person signing the guaranty agrees to be bound to provisions of the Multi-Unit Development Agreement applicable to such person.

Franchise Agreement

If you are an entity, then you must identify a Managing Owner with at least a 25% ownership interest and voting power in you. We may require our approval of the Managing Owner. You (or your Managing Owner) are responsible for the management, direction and control of your Restaurant, subject to the terms and conditions of the Franchise Agreement. You (or your Managing Owner) or a Mandatory Trainee who has completed the initial training program to our satisfaction must supervise the management and operation of the Restaurant and continuously exert best efforts to promote and enhance the Restaurant.

You may elect not to supervise your Restaurant on a full-time basis if you obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Restaurant on a full-time basis (your “Designated Manager”). We may establish conditions for approving any such Designated Manager, which may include completion of training, confirmation that it will have no competitive business activities, and/or

execution of a non-disclosure agreement (that we approve or designate) or other covenants that we require. The Designated Manager must assume responsibilities on a full-time basis and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with his, her, or their obligations to operate and manage the Restaurant.

If you are a legal entity, then each of your owners must sign a guaranty of your obligations under the Franchise Agreement (the form is attached as an exhibit to the Franchise Agreement). Each person signing a guaranty assumes and agrees to discharge all of your obligations (i.e., the franchisee's) under that Franchise Agreement. If any owner is an individual, then his, her, or their spouse must consent in writing to that owner's execution of the guaranty. Each person signing the guaranty agrees to be bound to provisions of the Franchise Agreement applicable to such person.

We may require that any employee, agent, or independent contractor that you hire and that will have access to Confidential Information execute a non-disclosure agreement that we approve or designate.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) offer and sell from your Restaurant all products and services that we periodically specify; (2) not offer or sell any products or services we have not authorized; and (3) discontinue selling and offering for sale any products or services that we at any time disapprove.

We may change the authorized menu items and other goods or services that you may offer, and there is no limit to our right to make such changes.

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Restaurant. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

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 AGREEMENT	SUMMARY
a. Length of the franchise term	Section 1.B in Multi-Unit Development Agreement	Term in Multi-Unit Development Agreement ends on the scheduled opening date of the last Restaurant as specified on the Development Schedule, or the date such final Restaurant opens for business, whichever is earlier.
	Section 1.B in Franchise Agreement	Term of Franchise Agreement is 15 years.

PROVISION	SECTION IN AGREEMENT	SUMMARY
b. Renewal or extension of the term	Not Applicable in Multi-Unit Development Agreement Section 13.A in Franchise Agreement	You will be allowed to extend the term of your Restaurant franchise for one additional term of 15 years if you meet the requirements described below in Item 17(c).
c. Requirements for franchisee to renew or extend	Not Applicable in Multi-Unit Development Agreement Section 13 in Franchise Agreement	You have no right to renew your Multi-Unit Development Agreement without our approval. You must give 180 to 270 days prior written notice; you and your owners must have substantially complied with your Franchise Agreement; you must maintain possession of the premises and agree to repair, replace and update equipment and the Restaurant to our current System Standards; you must pay us a renewal fee; you and your owners must be in full compliance with your Franchise Agreement on the date that you elect to extend and on the date the extension would start; you and your owners must sign our then-current Franchise Agreement and associated documents and a general release (unless prohibited by law). The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreements, such as different fee requirements.
d. Termination by franchisee	Section 7.A in Multi-Unit Development Agreement Section 14.A in Franchise Agreement	You may terminate the Franchise Agreement or Multi-Unit Development Agreement if we materially breach the agreement and do not cure default after notice from you (subject to state law).
e. Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement or the Multi-Unit Development Agreement without cause.
f. Termination by franchisor with cause	Section 7.B in Multi-Unit Development Agreement AND Section 14.B in Franchise Agreement	Only if you or your owners commit one of several violations.

PROVISION	SECTION IN AGREEMENT	SUMMARY
g. “Cause” defined – curable defaults	Section 7.B in Multi-Unit Development Agreement Section 14.B in Franchise Agreement	Under the Multi-Unit Development Agreement, you have 72 hours to cure violations of law; 10 days to cure monetary defaults; 30 days to cure operational defaults and other defaults not listed in Item 17(h) below; and applicable cure period for defaults under any other agreement with us. The time for curing a default of the development schedule, or other default that does not have a shorter cure period, will be extended for up to 180 days if the reason for the default was a “Casualty Event,” defined to be a fire, tornado, hurricane, flood, earthquake, or similar natural disaster beyond your control. Under the Franchise Agreement, you have 10 days to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in Item 17(h) below (up to 90 days if caused by a Casualty Event); 15 days to cure quality assurance audits; and applicable cure period for monetary defaults owed to third parties, and cure other material defaults to third parties; and applicable cure period for defaults under any other agreement with us.
h. “Cause” defined – non-curable defaults	Section 7.B in Multi-Unit Development Agreement Section 14.B in Franchise Agreement	Non-curable defaults under the Multi-Unit Development Agreement include: material misrepresentations or omissions; failure to comply with development deadlines; abandonment; conviction of a felony; violation of confidentiality, non-compete or other covenants; unauthorized transfer; 3 or more of any violations in 12 months or 2 or more of the same violation in 6 months, whether or not cured; an assignment for the benefit of creditors; appointment of a trustee or receiver or filing bankruptcy; breach of anti-terrorism laws. Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions; failure to secure site for the Restaurant within 180 days after Franchise Agreement’s effective date; failure to open your Restaurant on time; failure of any Mandatory Trainees to complete training; closure, failure to operate for more than 3 days, or other abandonment; conviction of a felony; violation of confidentiality, non-compete or other intellectual property protections; unapproved transfers; loss of occupancy of the premises; failure to pay taxes; understating Gross Sales; 3 or more of any violations in 12 months or 2 or more of the same violation in 12 months, whether or not cured; an assignment for the benefit of creditors; appointment of a trustee or receiver or filing bankruptcy; breach of anti-terrorism laws; health and safety risks; 2 or more instances of abusive or inappropriate conduct.

PROVISION	SECTION IN AGREEMENT	SUMMARY
i. Franchisee's obligations on termination/non-renewal	Section 7.C, 7.D and 7.E in Multi-Unit Development Agreement	Under the Multi-Unit Development Agreement, you must: cease conducting business as a developer of Smashburger Restaurants; return or destroy Confidential Information; comply with other standards for wind-down we establish periodically; and pay us any outstanding balance due.
	Section 15 in Franchise Agreement	Under the Franchise Agreement, you must: pay all amounts due within 15 days; close your Restaurant and cease using the Marks to sell products; cease to use any Mark; cease to identify yourself as a Smashburger Restaurant and cancel all assumed names using the Marks; return or destroy all materials displaying the Marks; make alterations to distinguish the Premises from a Smashburger Restaurant; cease using all telephone numbers, listings and Online Presences, or transfer to us; return or destroy all Confidential Information; comply with all other System Standards for de-identification; and give us evidence of compliance within 30 days. You must also pay us Lost Revenue Damages if the Franchise Agreement was terminated by us or by you other than as permitted under the Franchise Agreement.
j. Assignment of contract by franchisor	Section 6.A in Multi-Unit Development Agreement	No restriction on our right to assign.
	Section 12.A in Franchise Agreement	
k. "Transfer" by franchisee-definition	Section 6.B in Multi-Unit Development Agreement	Any transfer of the Multi-Unit Development Agreement, your development rights, and/or any direct or indirect ownership interest in you (if you are a legal business entity).
	Section 12.B in Franchise Agreement	Any transfer of the Franchise Agreement, the assets or operations of your Restaurant, and/or any direct or indirect ownership interest in you (if you are a legal business entity). Includes voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, encumbrance, foreclosure, surrender or by operation of law, and/or any transfer, surrender, loss of the possession or control, or management of your Restaurant.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Section 12.E in Franchise Agreement	Table. If you receive an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Restaurant or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items k through m of this Table.
o. Franchisor's option to purchase franchisee's business	Not Applicable in Multi-Unit Development Agreement Section 15.E in Franchise Agreement.	We may purchase the assets of your Restaurant for liquidation value upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us with cause (except where the sole cause for termination was your or your affiliates' failure to comply with the development schedule described in the Multi-Unit Development Agreement). We have 30 days to provide you with written notice of our election to purchase your Restaurant.
p. Death or disability	Section 6.C in Multi-Unit Development Agreement Section 12.C in Franchise Agreement	Death of franchisee (or any of its owners) is a transfer requiring our consent. See (k) above. However, our approval will not be unreasonably withheld or delayed so long as at least one of the Managing Owners continues to be the designated Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have 9 months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve.
q. Non-competition covenants during the term of the franchise	Section 5.A in Multi-Unit Development Agreement Section 7.A in Franchise Agreement	Neither you, nor any of your owners or their immediate family members, may have any involvement, directly or indirectly, in a "Competitive Business", subject to state law. "Competitive Business" means any restaurant, food service or other business (other than a Smashburger Restaurant or other restaurant business that you operate under a valid franchise agreement with us or our affiliates): (1) whose gross receipts from the sale of hamburgers represent, at any time, at least 10% of the business' total gross receipts (excluding receipts from the sale of alcoholic beverages), (2) whose menu, concept, business model or method of operation is similar to that employed by restaurant units operated, franchised or licensed by us, (3) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (4) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. In addition, you must not operate, directly or indirectly, any business marketed by a franchisor or chain under a locally, regionally, or nationally known or registered trademark or service mark, subject to state law.

PROVISION	SECTION IN AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Section 7.D in Multi-Unit Development Agreement Section 15.C in Franchise Agreement	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months in your Development Area, the Development Area of any other Smashburger developer, or within a 5-mile radius of any Smashburger Restaurant in existence or under development at time of termination or expiration of Multi-Unit Development Agreement, subject to state law. You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months within 5-mile radius of the premises of your Restaurant or any Smashburger Restaurant in existence or under development at time of termination or expiration of Franchise Agreement, subject to state law. You may not interfere with vendor/supplier/franchisee/consultant relationships nor engage in activities that would harm our Marks or Franchise System, either during or after the term of the Franchise Agreement and/or Multi-Unit Development Agreement, subject to state law.
s. Modification of the agreement	Section 10.J in Multi-Unit Development Agreement Section 17.L in Franchise Agreement	No modifications except in writing and signed by both you and us.
t. Integration/merger clause	Section 10.H in Multi-Unit Development Agreement Section 17.O in Franchise Agreement	Only the written terms of the agreements are binding (subject to state law). Any other promises are not enforceable. However, nothing in the Franchise Agreement or Multi-Unit Development Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Section 9.A in Multi-Unit Development Agreement Section 17.G in Franchise Agreement	We and you must arbitrate all disputes at a location in or within 50 miles of our (or our successor's or assign's) current principal place of business (currently, Denver, Colorado) (subject to state law).
v. Choice of forum	Section 9.B in Multi-Unit Development Agreement Section 17.I in Franchise Agreement	You must sue us in a court of general jurisdiction nearest to our (or our successor's or assign's) then-current principal place of business (currently Denver, Colorado) (subject to state law).

PROVISION	SECTION IN AGREEMENT	SUMMARY
w. Choice of law	Section 9.G in Multi-Unit Development Agreement Section 17.H in Franchise Agreement	Colorado law (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the Franchise System.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Julia Hedrick, Senior Corporate Counsel, Smashburger Franchising LLC, 3900 East Mexico Avenue, Suite 1300, Denver, Colorado, 80210, (303) 633-1500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE SMASHBURGER RESTAURANTS SUMMARY FOR
YEARS 2023 to 2025

Outlet Type	Year	Smashburger Restaurants at the Start of the Year	Smashburger Restaurants at the End of the Year	Net Change
Franchised ¹	2023	82	78	-4
	2024	78	65	-13
	2025	65	53	-12

Outlet Type	Year	Smashburger Restaurants at the Start of the Year	Smashburger Restaurants at the End of the Year	Net Change
Company Owned or Managed	2023	135	133	-2
	2024	133	129	-4
	2025	129	119	-10
Total Restaurants	2023	217	211	-6
	2024	211	194	-17
	2025	194	172	-22

¹ Since December 28, 2025, 1 franchised Smashburger Restaurant ceased operations in the United States and 1 franchised Smashburger Restaurant ceased operations in Costa Rica.

TABLE NO. 2
TRANSFERS OF SMASHBURGER RESTAURANTS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2023 to 2025

State	Year	Number of Transfers
Arizona	2023	0
	2024	0
	2025	2
Florida	2023	0
	2024	1
	2025	0
Texas	2023	0
	2024	0
	2025	1
Utah	2023	0
	2024	2
	2025	0
Total	2023	0
	2024	3
	2025	3

TABLE NO. 3
STATUS OF FRANCHISED SMASHBURGER RESTAURANTS
FOR YEARS 2023 to 2025

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Restaurants at End of Year
AK	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Restaurants at End of Year
AR	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
AZ	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
CA	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	1	0	0	0	0	8
CO	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	2	3
FL	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	3	4
	2025	4	0	0	0	0	1	3
IA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
ID	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	1	0
IN	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
KS	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
KY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
LA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	2	0
MA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
MI	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	2	0
	2025	0	1	0	0	0	0	1
MO	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	2	0
	2025	0	0	0	0	0	0	0

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Restaurants at End of Year
MN	2023	1	0	0	0	0	0	1
	2024	1	6	0	0	5	1	1
	2025	1	0	0	0	0	0	1
NC	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	2	3
ND	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NJ	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
NV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NY	2023	5	0	0	0	0	3	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	2	0
OH	2023	5	0	0	0	0	1	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	3	1	0
OK	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
SC	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
TX	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	0	3
UT	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	0	3
VA ¹	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	0	3
WA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Totals	2023	82	2	0	0	0	6	78
	2024	78	6	0	0	5	14	65
	2025	65	2	0	0	3	11	53

¹ Since December 28, 2025, 1 franchised Smashburger Restaurant ceased operations in the United States and 1 franchised Smashburger Restaurant ceased operations in Costa Rica.

TABLE NO. 4
STATUS OF AFFILIATE-OWNED SMASHBURGER RESTAURANTS
FOR YEARS 2023 to 2025

State	Year	Affiliate-Owned Restaurants at Start of Year	Affiliate-Owned Restaurants Opened	Affiliate-Owned Restaurants Reacquired from Franchisee	Affiliate-Owned Restaurants Closed	Affiliate-Owned Restaurants Sold to Franchisee	Affiliate-Owned Restaurants at End of Year
AZ	2023	15	0	0	0	0	15
	2024	15	0	0	1	0	14
	2025	14	0	0	1	0	13
CA	2023	11	1	0	2	0	10
	2024	10	0	0	0	0	10
	2025	10	0	0	0	0	10
CO	2023	26	1	0	2	0	25
	2024	25	0	0	0	0	25
	2025	25	0	0	6	0	19
CT	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
DC	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
ID	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
IL	2023	6	1	0	0	0	7
	2024	7	0	0	0	0	7
	2025	7	0	0	0	0	7
KY	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
MA	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	1	0	4

State	Year	Affiliate-Owned Restaurants at Start of Year	Affiliate-Owned Restaurants Opened	Affiliate-Owned Restaurants Reacquired from Franchisee	Affiliate-Owned Restaurants Closed	Affiliate-Owned Restaurants Sold to Franchisee	Affiliate-Owned Restaurants at End of Year
MD	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
MN	2023	6	0	0	0	0	6
	2024	6	0	5	0	6	5
	2025	5	0	0	2	0	3
NJ	2023	14	0	0	0	0	14
	2024	14	0	0	0	0	14
	2025	14	0	0	1	0	13
NV	2023	4	0	0	0	0	4
	2024	4	0	0	1	0	3
	2025	3	0	0	0	0	3
NY	2023	19	0	0	0	0	19
	2024	19	0	0	0	0	19
	2025	19	0	0	1	0	18
OH	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	3	0	0	5
OK	2023	3	0	0	1	0	2
	2024	2	0	0	1	0	1
	2025	1	0	0	0	0	1
PA	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
RI	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	1	0	0
TX	2023	12	1	0	1	0	12
	2024	12	0	0	0	0	12
	2025	12	0	0	0	0	12
UT	2023	2	0	0	0	2	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
VA	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Totals	2023	135	6	0	6	2	133
	2024	133	0	5	3	6	129
	2025	129	0	3	13	0	119

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 28, 2025
FOR 2026 FISCAL YEAR

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Affiliate-Owned Franchised Businesses in the Next Fiscal Year
Colorado	0	1	0
Illinois	0	1	0
Maine	0	1	0
North Carolina	0	2	0
Texas	0	2	0
Totals	0	7	0

The tables above are for the fiscal years ended December 28, 2025 (2025 fiscal year), December 29, 2024 (2024 fiscal year), and December 31, 2023 (2023 fiscal year). Company-owned includes affiliate-owned or managed. The tables above do not include 20 franchised Smashburger Restaurants that operated internationally as of December 28, 2025.

Exhibit F contains a list of the names, addresses and telephone numbers of our current franchisees in the United States as of December 28, 2025. Exhibit G contains a list of the names and last known address and telephone number of each franchisee in the United States who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

Within the last three years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Smashburger® Franchise System. You may wish to speak with current and former franchisee but be aware that not all such franchisees will be able to communicate with you.

There is no trademark-specific organization associated with the Franchise System being offered.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit H are the following financial statements: (1) our unaudited interim balance sheet as of April 5, 2026, together with the related unaudited interim statements of income, members' equity and cash flows for the fiscal quarter then-ended; and (2) our audited balance sheets as of December 28, 2025 and December 29, 2024, and the related statements of income, members' equity, and cash flows for the fiscal years ending December 28, 2025, December 29, 2024, and December 31, 2023. Our fiscal year consists of 52 or 53 weeks ending on the Sunday closest to December 31. Fiscal year 2025 consisted of 52 weeks, 2024 consisted of 53 weeks, and 2023 consisted of 52 weeks.

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit B – Franchise Application
Exhibit C – Multi-Unit Development Agreement
Exhibit D – Franchise Agreement
Exhibit E – Consent to Transfer
Exhibit J – Representations Statement
Exhibit K – Sample General Release
Exhibit L – State Addenda and Agreement Riders

ITEM 23
RECEIPTS

Exhibit M contains detachable documents acknowledging your receipt of this Disclosure Document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

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

Los Angeles

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

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

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

HAWAII

Commissioner of Securities
State of Hawaii, Department of Commerce and
Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(844) 808-3222

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

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

(agent for service of process)

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

MARYLAND

(state administrator)

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

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7567

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

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

NEW YORK

(state administrator)

New York State Department of Law Investor
Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

(agent for service of process)

Secretary of State of New York
99 Washington Avenue
Albany, NY 12231
(518) 473-2492

NORTH DAKOTA

(state administrator)

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

(agent for service of process)

Insurance Commissioner
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

(state administrator)

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

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B
FRANCHISE APPLICATION



Application for a Franchise

The acceptance of this Application by Smashburger Franchising LLC does not constitute the offer or grant of a franchise.

CERTIFICATION AND CONFIDENTIALITY STATEMENT

I authorize Smashburger Franchising LLC and its affiliates (collectively "Smashburger") to rely on the information contained in this application and any supplemental information I might later provide in deciding whether to grant me a franchise. I certify that the information contained herein is true, correct and complete as of the date shown below. I authorize Smashburger to conduct its own background and credit history checks using whatever resources it may be entitled under applicable law to use. I authorize Smashburger to start an investigative consumer report (including information as to my character, general reputation, personal characteristics and mode of living) and a credit investigation (including obtaining my credit report from Smashburger's choice of credit reporting agencies). In accordance with the Privacy Act, Freedom of Information Act, Fair Credit Reporting Act and any similar federal, state or local law or regulation, I expressly authorize any past or present employer, law enforcement agency, credit reporting agency, collection agency, bank, brokerage and other financial institution, educational institution, creditor and supplier, and any other person who has knowledge of my character, work, business and educational experience, financial condition, criminal records or other information about me (whether or not contained in this application) to release information to and cooperate with Smashburger in conducting such investigation. I release all persons from liability as a result of their release of true and accurate information in connection with Smashburger's investigation. I authorize the use of photocopied or faxed copies of my signature to obtain information in connection with Smashburger's review and investigation of my application. I understand that I have a right to request that Smashburger disclose to me the nature and scope of its investigation and that, if my application is rejected because of information obtained from a consumer reporting agency, I might be entitled under the Fair Credit Reporting Act to the name of the agency or source of information. If I intend to own the Smashburger® franchise with other applicants whom I have identified to Smashburger, I authorize Smashburger to discuss with such co-applicants any information (including any derogatory credit items) that might negatively affect its determination to grant the franchise.

I am aware of no facts, circumstances or events (actual or threatened) that I have not disclosed that might make the information contained herein or that I have otherwise provided to Smashburger incorrect, incomplete or misleading. I agree to promptly notify Smashburger of any material change in any of such information and of any events that might have a material impact on the truth, accuracy or completeness of such information.

During the process of considering whether to grant me a franchise, Smashburger might (at its discretion) provide or grant me access to certain information, and I might receive certain information from other Smashburger franchisees, whether orally, in writing, or in electronic or other form or format, regarding Smashburger's business and the operation of Smashburger restaurants, including, without limitation, restaurant development and operating procedures and techniques, financial information, product offerings and formulations, supply sources, actual and proposed advertising and marketing plans and techniques, development plans and processes, restaurant design and specifications (collectively, the "Information"). I agree that I will hold all Information in strict confidence, that I will not disclose any Information to any third party without Smashburger's prior written consent (except to my legal and financial advisors whose duties justify the need to know such Information), and that I will use the Information only in connection with my exploration of whether to purchase a Smashburger franchise. I agree that I will return or destroy any Information in my possession at Smashburger's direction.

Signature (Applicant)

Date

PERSONAL INFORMATION

Name	Home phone	Business phone	Cell Phone
Residence	Years Occupied?	Own/Rent/Other?	
City	E-Mail Address		
State/Zip code	Social security number	Date of Birth	
Previous Address	Years Occupied?	Own/Rent/Other?	
Previous Address	Years Occupied?	Own/Rent/Other?	
Spouse's name	Spouse's social security number	Names and ages of children	
Have you ever been convicted of anything other than minor traffic violations? If so, provide details.			
Are you now or have you ever been involved in any litigation? Has any judgment ever been entered against you or your company or your employer where you were one of the litigants? If yes, provide details.			
Have you, your spouse or any business owned by you or your spouse ever filed for bankruptcy protection or been the subject of an involuntary bankruptcy proceeding? If yes, provide details.			
Of which country are you a citizen? If not the US, on what basis are you authorized to own or be employed by a business in the US?			
Are you or is anyone in your immediate family currently involved in the restaurant industry (including as an owner, employee or consultant)? If yes, provide details			
Are you or is anyone in your immediate family currently subject to any agreement which purports (regardless of enforceability) to restrict such person's right to own, be employed by or provide services to any business or to solicit any person for employment? If yes, provide details and attach a copy of the agreement.			

EDUCATION

Last year of school completed	Name of college and/or postgraduate school	Degree
Describe any training in sales, management or retailing		

BUSINESS EXPERIENCE

Present occupation	Position	Dates employed
Company	Address	
Describe duties, number of employees supervised and responsibilities		

Previous business experience (List most recent first)

Occupation	Position	Dates Employed	Reason left
Company	Address		
Describe duties, number of employees supervised and responsibilities			

Occupation	Position	Dates Employed	Reason left
Company	Address		
Describe duties, number of employees supervised and responsibilities			

Have you ever owned your own business or franchise? If so, explain.
Identify each business in which you or your spouse currently has an ownership interest and describe the nature of the ownership and your or your spouse's involvement in such business.

PERSONAL FINANCIAL STATEMENT:

SOURCES OF INCOME FOR YEAR ENDED _____ Salary

wages, bonus, commissions \$ _____

Dividends, interest \$ _____

Real Estate Income \$ _____ Other

income - specify source, e.g., business profits, trust, spouse, etc. \$ _____

TOTAL \$ _____

Please provide details on the following asset verification schedules (**schedule numbers in parentheses**).

Assets		Liabilities	
Cash On hand and in banks	\$	Loans/notes/accounts payable (3)	\$
Vested profit sharing		Real Estate Mortgages (6)	
Securities, Bonds/debentures (1)		Other Debts or obligations (5)	
Notes, accounts and mortgages receivable (2)			
Real estate-current market value (6)			
Net value of business interests (7)		Total Liabilities	
Other-automobiles, other personal property, etc. (4)		Net Worth	\$
Total Assets		Total Liabilities and net worth	\$

ASSET VERIFICATION SCHEDULES

(1) Listed securities, bonds/debentures			
No. shares	Description	Pledged (yes/no)	Current mkt. value
TOTAL			\$

(2) Notes/accounts/mortgages receivable						
Debt	Relation to applicant	Nature of debt	Maturity date	Original face value	Monthly payment	Present Balance

TOTAL						\$

(3) Loans/notes/accounts/bills payable (excluding mortgages)								
Lender	Relation to applicant	Nature of Debt	Secured yes/no	Maturity date	Original face value	Monthly payments	Interest rate	Present balance
TOTAL								\$

(4) Other Assets
(e.g., stock options, cash value of life insurance, automobiles and other personal property, etc.)

Description	Current fair market value
TOTAL	\$

(5) Other debts and liabilities
(e.g., insurance loans, alimony, child support, leases, contracts, legal claims, judgments, chattel mortgages, taxes, co maker or guarantor, etc.)

Obligee	Description	Amount
TOTAL		\$

(6) Real estate								
Address and description of property (residential, rental, vacant)	Date acquired	Title in names(s) of	Original Cost	Original mortgage amount	Mo. Payments (incl. taxes, assessments)	Current market value	Current mortgage balance	Net value
TOTAL						\$	\$	\$

(7) Business Interests								
Name and address of business	Description	Type (partner, corp., sole)	Names of all owners	Relation to applicant	Percent equity	Buy/Sell agreement yes/no	Valuation method	Net value your interest
TOTAL							\$	

Note: Smashburger reserves the right to require that you provide copies of federal and state tax returns, copies of statements from banks, brokerage houses and other financial institutions, and other documentation to confirm your ability to fund the development of Smashburger restaurants should you be granted a franchise.

Does your spouse or any other person have any interest in the above assets? If yes, please explain and list assets.
Have any of the above assets been acquired by you as a gift? If yes, specify assets, from whom and when.
Describe in detail, based upon your obligations to other businesses, your estimated capital commitments to such businesses for the next 3 years and whether any of the assets listed above are intended to be used to satisfy such commitments.

MISCELLANEOUS INFORMATION

Any other business experience, real estate holdings or other pertinent information:
Are you related to any officer of Smashburger Franchising LLC or its affiliates? Name Position
Are you or your employer providing products, goods or services to Smashburger Franchising LLC, its affiliates or franchisees? If yes please attach detailed information.
Will you devote full time to this business?
Will you own the franchise with other people? If so, who?

If there will be other owners, will you be the only operator? If not, who will be?			
Will you have a support team dedicated exclusively to the Smashburger business? Please explain.			
How much of your time will be dedicated to Smashburger?			
Have you ever worked in a Smashburger restaurant? If so, where and when?			
Have you ever applied for a Smashburger Franchise? If so, where and when?			
Personal references (other than employers or relatives)			
Name in full	Address	Occupation	Years Known
Name in full	Address	Occupation	Years Known
Name in full	Address	Occupation	Years Known

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE OF AGREEMENT

DEVELOPMENT AREA

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EXHIBITS

EXHIBIT A	-	DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE
EXHIBIT B	-	OWNERS AND MANAGING OWNER
EXHIBIT C	-	GUARANTY AND ASSUMPTION OF OBLIGATIONS

SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this “**Agreement**”) is made and entered between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“**we**”), and _____, whose principal business address is _____ (“**you**”), as of the date signed by us and set forth below our signature on this Agreement (the “**Effective Date**”).

1. **GRANT OF DEVELOPMENT RIGHTS.**

A. **BACKGROUND.**

(1) We and our affiliates have developed (and may continue to develop and modify) a system for the operation of restaurants featuring hamburgers, sandwiches, salads, other food items and beverages, and related products and services authorized by us from time to time (each a “**Smashburger Restaurant**”).

(2) We grant franchises for Smashburger Restaurants pursuant to a written franchise agreement and related agreements signed by us and a franchisee and its owners (each a “**Franchise Agreement**”).

(3) We also grant certain qualified persons the right to acquire multiple franchises for the development and operation of multiple Smashburger Restaurants within a defined geographic area (the “**Development Area**”) pursuant to an agreed upon schedule (the “**Development Schedule**”).

B. **GRANT AND TERM OF DEVELOPMENT RIGHTS.**

Subject to the terms of this Agreement, we hereby grant you the right, and you undertake the obligation, to develop, own and operate the number of Smashburger Restaurants specified in your Development Schedule on Exhibit A (your “**Development Rights**”). You may exercise your Development Rights exclusively within the Development Area specified on Exhibit A. The term of this Agreement (the “**Term**”) will begin on the Effective Date and, unless sooner terminated pursuant to Section 7, will expire on the earlier of (1) the date on which the last Smashburger Restaurant which is required to be opened to satisfy the Development Schedule opens for regular business; or (2) the last day of the last Development Period (defined in Section 2.C below) in your Development Schedule. You may not extend the Term of this Agreement without our approval, which we will grant in our sole discretion. You must at all times faithfully, honestly, and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area.

We have awarded you **no right or license** under this Agreement or in exercising your Development Rights to use any trademarks, service marks and other commercial symbols that we and our affiliates may create or use to identify the Smashburger Restaurants from time to time. Any and all rights to use any of the foregoing arises solely from the Franchise Agreements you sign to operate Smashburger Restaurants, subject to the limitations and terms contained therein.

C. **TERRITORIAL PROTECTION**

Unless otherwise indicated on Exhibit A, you are not granted any protection or exclusivity with respect to the Development Area, and we will be free to grant development rights to others, to grant

franchises to others, to ourselves to own or operate Smashburger Restaurants, or conduct any and all other business activities we determine, in any event, without regard to whether such rights will be in competition with the rights granted to you, and in any location worldwide, including the Development Area. You may be in competition with us or with others to whom we have granted or hereafter grant Development Rights or franchises for the Development Area, including with respect to locating and securing sites for the development of Smashburger Restaurants. You agree that this lack of protection or exclusivity will not excuse your failure to comply with the Development Schedule.

If we have granted you protection with respect to the Development Rights in the Development Area on Exhibit A, then, except as described in Section 1.D below, and provided you and your affiliates are in full compliance with this Agreement and all Franchise Agreements and other agreements with us or any of our affiliates, during the Term, neither we nor any of our affiliates will establish or operate or grant any other person the right to establish or operate a Smashburger Restaurant in your Development Area.

D. RIGHTS WE RESERVE.

Other than any applicable territorial rights described in Section 1.C above, you have no territorial protection of any kind, and we and our affiliates retain all rights with respect to the placement and development of Smashburger Restaurants and other businesses using the “Smashburger®” name and marks, the sale of the same, similar or dissimilar products and services, and any other business activities in any manner or in any location, including that we expressly reserve the right to:

(1) establish and operate, and allow others to establish and operate, any Smashburger Restaurant, and/or offering and selling any of the products or services that are similar to, the same, or competitive with those products or services offered by Smashburger Restaurants, at or through any nontraditional venues, including, temporary or seasonal facilities, recreation parks or facilities, or business operated within any larger venue or closed market such as an airport, transportation center, gas station, stadium or entertainment center, at any location;

(2) establish and operate, and allow others to establish and operate, Smashburger Restaurants using the Marks and the System, at any location (other than in the Development Area, if you have been afforded a protected territory on Exhibit A), on such terms and conditions we deem appropriate;

(3) establish and operate, and allow others to establish and operate, restaurants that may offer products and services which are identical or similar to products and services offered by Smashburger Restaurants, under other trade names, trademarks, service marks and commercial symbols different from the Marks;

(4) establish, and allow others to establish, other businesses and distribution channels (including, retail, wholesale, internet, or other digital presence of any kind), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Smashburger Restaurants, and that sell products or services that are identical or similar to, or competitive with, those that Smashburger Restaurants customarily sell;

(5) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

(6) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other business, including a Competitive Business, even if such business operates, franchises or licenses such businesses in the Development Area;

(7) operate or grant any third party the right to operate any Smashburger Restaurant that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement, any other franchise agreement or any other agreements; and

(8) engage in all other activities not expressly prohibited by this Agreement.

E. IF YOU ARE AN ENTITY.

If you are at any time a corporation, limited liability company, or partnership (each, an “**Entity**”), you agree and represent that you will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and are and will, throughout this Term, remain validly existing and in good standing under the laws of the state of your formation. You agree to maintain organizational documents, operating agreement, or partnership agreement, as applicable, that reflect the restrictions on issuance and transfer of any ownership interests in you described in this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement’s restrictions.

You agree and represent that Exhibit B to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date. You and each of your direct and indirect owners (including but not limited to those identified on Exhibit B) have submitted an application in writing requesting our consent and providing us all information or documents we request about you and your owners and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither you, your owners (if you are an Entity), nor your affiliates have an ownership interest in or perform services for a Competitive Business (defined in Section 5.A).

Each of your direct and indirect owners, and their spouses, will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached herein as Exhibit C. We confirm that a spouse who signs Exhibit C solely in his, her, or their capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the guaranty by his, her, or their spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse’s own separate property). Subject to our rights and your obligations under Section 6, you and your owners agree to sign and deliver to us a revised Exhibit B to reflect any permitted changes in the information that Exhibit B now contains.

You must identify on Exhibit B one of your owners who is a natural person with at least 25% ownership interest and voting power in you and who will have the authority of a chief executive officer

(the “**Managing Owner**”). You must obtain our written consent prior to changing the Managing Owner and agree to deliver to us a revised Exhibit B to accurately identify the Managing Owner should the identity of that person change during the Term as permitted hereunder. You agree that the Managing Owner is authorized, on your behalf, to deal with us in respect of all matters whatsoever which may arise in respect of this Agreement. Any decision made by the Managing Owner will be final and binding upon you, and we will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement, and we will not be held liable for any actions taken by you or otherwise, based upon any decision or actions of the Managing Owner. You represent and agree that the person acting as your Managing Owner has full power and authority to enter into this Agreement and any other documents to which you are a party, and to make binding decisions on your behalf.

2. EXERCISE OF DEVELOPMENT RIGHTS.

A. APPROVAL OF PROPOSED DEVELOPMENT.

We must approve all Smashburger Restaurants that you propose to develop in your Development Area, before you enter into any lease or other agreement to secure the site. You agree to give us all information and materials we request to assess each Smashburger Restaurant that you propose to develop, as well as your financial and operational ability to develop and operate the proposed Smashburger Restaurant. We have the absolute right to disapprove any proposed development for any reason, including if: (1) you do not meet our then-current criteria for new franchise development; (2) the site for the proposed development does not meet our then-current site selection criteria, and/or the lease does not contain the terms we are then requiring; or (3) you, your owners, or your affiliates are not then in compliance with this Agreement or any Franchise Agreements with us.

B. EXECUTION OF FRANCHISE AGREEMENTS

You may require you to sign a Franchise Agreement for your first Smashburger Restaurant when you sign this Agreement. Thereafter, if we approve a proposed site for development, then you must sign our then-current form of Franchise Agreement for such site within 15 days (or such greater time as required by law) after we provide you with an execution copy of the Franchise Agreement. After signing a Franchise Agreement for any Smashburger Restaurant, you must open and operate each Smashburger Restaurant according to the terms of that Franchise Agreement; provided, that your deadline to open each Smashburger Restaurant that you develop pursuant to this Agreement will be as described on the Development Schedule. Otherwise, in the event of any conflict between a Franchise Agreement and this Agreement, the terms of the Franchise Agreement will govern. The terms of the Franchise Agreement you sign may differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date. If you wish to sign a Franchise Agreement through any other entity or affiliate of yours, then you must first obtain our approval of the entity or affiliate, which we may withhold in our sole discretion.

C. DEVELOPMENT SCHEDULE.

Exhibit A to this Agreement sets forth your Development Schedule, which includes designated time periods for you to: (1) execute a specified number of Franchise Agreements for Smashburger Restaurants, after having obtained our approval of the site and lease for the site of such Smashburger Restaurants pursuant to Section 2.A and 2.B above; and (2) develop and open a specified number of Smashburger Restaurants under each applicable Franchise Agreement (each a “**Development**

Period”). You may not open more than the number of Smashburger Restaurants shown in your Development Schedule during any Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Smashburger Restaurants specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

We will count a Smashburger Restaurant as an opened location for the Development Schedule only if you have satisfied all of the following conditions prior to the end of the applicable Development Period: (1) you have executed our then-current form of Franchise Agreement for such Smashburger Restaurant; (2) you have paid all associated fees for such Smashburger Restaurant arising under this Agreement and/or the Franchise Agreement; (3) you have executed a lease agreement or otherwise acquired occupancy rights to a premises that we have approved, on the terms described in your Franchise Agreement; and (4) you have secured our approval to open such Smashburger Restaurant, and such Smashburger Restaurant is open and operating in full compliance with its Franchise Agreement. You must satisfy all of preceding conditions for each Smashburger Restaurant in your Development Schedule by the end of the applicable Development Period.

D. DEVELOPMENT DEFAULTS.

If you fail to comply with the Development Schedule, in addition to terminating this Agreement under Section 7.B and asserting any other rights we have under this Agreement as a result of such failure, then we reserve the right to: (1) terminate or reduce the size of your Development Area, and/or terminate the territorial protections that you have in some or all of your Development Area, after which time we and our affiliates may establish or operate or authorize any other person to establish or operate a Smashburger Restaurant in your current or former Development Area in our discretion; and/or (2) require you to pay a fee of \$800 per month for each Smashburger Restaurant that you were required to have opened pursuant to the Development Schedule, but which you failed to develop and open by the applicable deadline, until such Smashburger Restaurant has properly opened for business in accordance with the terms of this Agreement and your Development Schedule.

E. RECORDS AND REPORTING.

Within 60 days after the Effective Date, you must prepare and give us, a business plan including a projected schedule for Smashburger Restaurant development and detailed cost and revenue projections for your activities under this Agreement. Within 60 days after the start of each calendar year during the Term, you must update the business plan to cover both actual results for the previous year and projections for the then current year. You acknowledge and agree that, while we may review and provide comments on the business plan and any updates you submit to us, and regardless of whether we approve, disapprove, require revisions, or provide other comments with respect to the business plan or any updated business plan, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein. You bear the entire responsibility for achievement of the business plan you develop.

Within 7 days after the end of each month during the Term, you must send us a report of your business activities during that month, including information about your efforts to find sites for Smashburger Restaurants in the Development Area and the status of development and projecting openings for each Smashburger Restaurant under development in the Development Area. We may

request further information about your development plans, and you agree to provide us such information upon request.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You further agree to deliver to us such additional financial records, including profit and loss statements, operating statements, cash flow statements, statistical reports, bank activity reports, tax records, and such other records we request, at the intervals and in the format we specify from time to time. You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. You agree to preserve and maintain all records in a secure location at your business for at least 3 years, or such longer period as may be required by applicable law (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

At our request, you will also provide current financial information for your owners and guarantors sufficient to demonstrate such owners and guarantors ability to satisfy their financial obligations under their individual guarantees (see Exhibit C).

F. **FINANCING; LIQUIDITY.**

You must at all times maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement, and all Franchise Agreements you execute pursuant to this Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time to time, to establish certain levels of working capital reserves, debt to equity or borrowing limits, or other liquidity requirements and you will comply with such requirements, as we may modify them periodically. You must at all times ensure you will have sufficient cash and working capital reserves to comply with our requirements and your obligations under this Agreement, and all Franchise Agreements you execute pursuant to this Agreement.

3. **FEES.**

A. **DEVELOPMENT FEE.**

You must pay us a nonrecurring and nonrefundable development fee when you sign this Agreement in an amount equal to \$20,000 multiplied by the number of Smashburger Restaurants required to be opened pursuant to the Development Schedule (the “**Development Fee**”). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable. We will apply the Development Fee as a credit against the initial franchise fee due under each Franchise Agreement which you or your affiliates execute pursuant to this Agreement, subject to a maximum credit under any Franchise Agreement of \$20,000 and a maximum credit for all such Franchise Agreements, in the aggregate, equal to the total Development Fee.

B. **METHOD OF PAYMENT.**

All amounts payable by you pursuant to this Agreement will, unless otherwise directed in writing by us, be paid by way of certified check or bank draft delivered to us at the address set out herein or at such other place as we designate in writing. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD).

4. **CONFIDENTIAL INFORMATION/INNOVATIONS.**

A. **CONFIDENTIAL INFORMATION.**

In connection with your rights under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about us, our affiliates, and the development and operation of Smashburger Restaurants (the “**Confidential Information**”), whether or not marked confidential, including: (1) site selection criteria; (2) training and operations materials and manuals; (3) any computer software or similar technology which is proprietary to us or our affiliates, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (4) knowledge of the operating results and financial performance of any Smashburger Restaurants; and (5) any other information designated as confidential or proprietary by us or our affiliates.

All Confidential Information will be owned by us or our affiliates (other than personally identifiable information relating to the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Restaurants, and/or such other personally identifiable information designated by us from time to time). You acknowledge and agree that: (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify under this Agreement or the Franchise Agreements you sign, in each case in accordance with the terms of such agreement; and (ii) our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and/or our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the Term you will, and will cause each of your respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors and assigns to:

(a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for exercise of your Development Rights in accordance with this Agreement, and/or the operation of Restaurants under the respective Franchise Agreements, and not for any other purpose of any kind;

(b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and standards we establish from time to time, and our and our representative’s instructions;

(c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your personnel and representatives who need to know such Confidential Information for the purpose of assisting you in exercising your Development Rights in accordance with this Agreement, and/or operating Restaurants in accordance with Franchise Agreements with us; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;

(d) not make unauthorized copies of any of our Confidential Information;

(e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be

bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of this Agreement; and

(f) at our request, destroy or return any of the Confidential Information.

Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

We and our affiliates are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you, your owners, and/or your affiliates for any errors or omissions from the Confidential Information.

B. INNOVATIONS.

As between us and you, we are the sole owner of all right, title, and interest in and to any and all improvements, developments, derivative works, enhancements, or modifications to and/or derived from any Confidential Information (collectively, “**Innovations**”). All such Innovations that are made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you agree to execute, verify, and deliver such documents and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you.

5. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

We have granted you the terms in this Agreement in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, immediate family members, affiliates, successors and assigns not to:

(1) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating, other than equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

(2) perform services as a director, officer, manager, employee, lessor, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(4) directly or indirectly, appropriate, use or duplicate any Confidential Information or any portion thereof, in any business in which such person may have any interest of any kind (whether directly or indirectly) or in which such person is otherwise employed.

The term “**Competitive Business**” means any restaurant, food service or other business (other than a Smashburger Restaurant or other restaurant business that you operate pursuant to a valid franchise agreement with us or our affiliates): (1) whose gross receipts from the sale of hamburgers represent, at any time, at least 10% of the business’ total gross receipts (excluding receipts from the sale of alcoholic beverages), (2) whose menu, concept, business model or method of operation is similar to that employed by restaurant units operated, franchised or licensed by us, (3) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (4) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

B. NON-INTERFERENCE.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to use your best efforts to cause your current and former owners, officers, directors, agents, employees, representatives, attorneys, immediate family members, affiliates, successors and assigns not to, solicit, interfere, or attempt to interfere with our or our affiliates’ relationships with any customers, franchisees, lenders, vendors, or consultants.

C. NON-DISPARAGEMENT.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to use your best efforts to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates’ directors, officers, employees, representatives or affiliates, current and former franchisees or multi-unit developers of us or our affiliates, the Smashburger® brand, any Smashburger Restaurant or Smashburger® branded business, any other brand or concept of us or our affiliates, or take any other action which would: (1) subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, or (2) negatively impact the goodwill of any of the foregoing.

6. **TRANSFER.**

A. **BY US.**

We maintain a staff to manage and operate the System and you understand that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. **BY YOU.**

You acknowledge that the rights and duties under this Agreement creates are personal to you and your owners, and that we have granted you the franchise in reliance on our perception of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, without our prior written approval, you may not transfer, pledge, or encumber, or attempt to transfer, pledge or encumber (including by listing any of the following for sale on any directory or listing), any of the following: (1) this Agreement (or any interest in this Agreement); (2) your Development Rights (or any right to receive all or a portion of your profits or losses or capital appreciation); (3) substantially all of the assets of the business you operate under this Agreement; or (4) any direct or indirect ownership interest in you. A transfer of your Development Rights may only be made with a transfer of this Agreement and each of the Smashburger Restaurants you have developed under this Agreement (in accordance with the terms of each Franchise Agreement). Any transfer without our approval is a breach of this Agreement and is void and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law and/or any transfer, surrender, loss of the possession or control, or management of any of your Restaurants developed pursuant to this Agreement.

If you intend to list your business under this Agreement or your Development Rights for sale with any broker or agent, then you shall do so only after obtaining our written approval, including our approval of any disclosures, listings and related information used in connection with such sale efforts.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

Subject to the other provisions of this Section, we will approve a transfer that meets all of the following requirements before or concurrently with the effective date of the transfer:

(1) you submit an application in writing requesting our consent and providing us all information or documents we request about the proposed transfer, transferee and its owners and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an Entity) or their respective affiliates have an ownership interest in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effectuate the transfer, and all other information we request about the transfer, and the transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and

payment terms. If you or your owners offer the transferee financing for any part of the purchase price, you and your owners hereby agree that all of transferee's obligations under promissory notes, agreements, or security interests are subordinate to the transferee's obligation to pay amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement (or any applicable multi-unit development agreement replacing this Agreement);

(3) you (and your owners) and the transferee (and its owners) sign our then-current consent to transfer agreement ("**Consent to Transfer**"), in a form satisfactory to us, including: (a) a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and our and their owners, officers, directors, employees, and agents, (b) a covenant that you and your transferring owners (and your and their immediate family members) will not, for 2 years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 7.D below, and (c) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement;

(4) all representations and warranties made in the Consent to Transfer by you, your owners, the transferee or the transferee's owners are true and correct as of the closing date of the transfer, and you (and your owners) and transferee (and its owners) otherwise comply with all terms applicable to the Consent to Transfer, including terms applicable to the associated transfer of any Franchise Agreements or other agreements between you and us;

(5) you and your owners have not violated any provision of this Agreement, the Consent to Transfer or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer, including that you have paid all amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(6) the transferee and its owners have not violated any provision of the Consent to Transfer, any multi-unit development agreement it has signed to take over the Development Rights, or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(7) all persons required to complete training under the transferee's multi-unit development agreement satisfactorily complete our training program, and transferee has paid all costs and expenses we incur to provide the training program to such persons;

(8) the transferee, at our request, signs our then-current form of multi-unit development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(9) you pay the sum of \$2,500 by means of cash or certified check, which amount will be non-refundable, except that if the Sale is successfully completed, the entire amount will be applied by us against the amount payable by you pursuant to Section 6.C(11) below, or such other amounts as may be owing by you to us pursuant to this Agreement;

(10) if permitted by applicable law, you must pay all of our expenses incurred in connection with the transfer, whether or not such transfer is completed, up to a maximum amount of \$3,000 plus disbursements and applicable taxes thereon; in this regard, you must deliver to us together with the original application submitted for approval of the transfer, the sum of \$1,500 towards such expenses plus applicable goods and services taxes thereon and pay the balance upon completion of the approved transfer;

(11) you must pay to us, an amount equal to the greater of (a) 1% of the purchase price to be paid and/or other consideration to be received from and/or debt to be assumed by the transferee, or (b) \$25,000, plus, in either case, applicable goods and services taxes thereon; and

(12) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effectuate the transfer as it relates to the operation of the business granted to you under this Agreement, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Development Rights that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Development Rights.

Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of the Managing Owner(s) designated on Exhibit B continues to be the Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have nine months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve in accordance with this Section.

D. TRANSFER TO A WHOLLY-OWNED ENTITY.

If you do not originally sign this Agreement as an Entity, then you may transfer this Agreement to an Entity; provided, that: (1) such Entity conducts no business other than the development business under this Agreement and, if applicable, Smashburger Restaurants, (2) you maintain management control of such Entity, (3) you own and control one hundred percent (100%) of the economic interests, equity and voting power of all issued and outstanding ownership interests in such Entity, (4) all of the assets of your business under this Agreement are owned, and the business of exercising your Development Rights is conducted, only by that single Entity, and (5) you satisfy all conditions applicable to a transfer described in Section 6.C, except that we will not require payment of a transfer fee as described in Section 6.C(11) (provided, that you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees, as further provided in Section 6.C(10)) and our right of first refusal under Section 6.E will not apply.

E. FIRST RIGHT OF REFUSAL.

Notwithstanding anything contained in this Section 6, in the event you make or receive (and intend to accept) an offer of transfer, without in any way derogating from our right to grant or not grant our consent thereto, then we will have the option, to be exercised by notice in writing delivered to you within 60 days of receipt of your application referred to in Section 6.C(1) hereof, to acquire the said

rights and the business operated hereunder upon the same terms and conditions as set out in the said application except as provided hereinafter. If we exercise our option, then we will complete the transfer upon the same terms and conditions as set out in the said application save and except that we will be entitled to deduct from the purchase price (1) the amount of any sales or other commissions (if any) which would have been payable by you had the transfer been completed with the transferee and (2) an amount equal to that amount to which we are entitled pursuant to Section 6.C(11) hereof, and save and except we will have the right to substitute cash for any other form of consideration specified in the offer accompanying the application and the right to pay in full, the entire amount of the purchase price at the time of closing. If we do not exercise our option, we may then, in our discretion, determine if we will consent to the proposed transfer to the transferee, and we will notify you of our decision within 30 days of receipt of said application. The sale, assignment, transfer, donation or other dealing must be completed within 60 days of the receipt by us of your original application, failing which, you must again make application to us in the manner set out in 6.C(1) hereof, and in all such events the provisions of this Section will apply anew, and such procedure will continue to be repeated so often as you desire to complete any transfer. If we do not notify you of our intention to consent within such 60-day period, then we will be deemed not to have given our consent.

7. **TERMINATION OF AGREEMENT.**

A. **BY YOU.**

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, then you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section will be deemed a termination without cause and a breach of this Agreement.

B. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring your Development Rights;

(2) you fail to comply with the Development Schedule (subject to your cure right under paragraph (12) below if the failure is the direct result of a Casualty Event);

(3) you abandon your Development Rights, which may include that you (a) cease or threaten to cease exercising the Development Rights granted to you under this Agreement, or (b) fail to make progress towards your Development Schedule such that we determine, in our discretion, that satisfaction of your Development Schedule is impossible or improbable;

(4) you (or any of your owners) are or have been convicted of or have pleaded no contest or guilty to a felony;

(5) you (or any of your owners) violate any of the covenants made in Section 4 or 5 of this Agreement;

(6) you (or any of your owners) make or attempt to make an unauthorized transfer under Section 6;

(7) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the fulfillment of your Development Rights, and fail to correct such violation within 72 hours after you receive notice from us or any other party;

(8) you fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered;

(9) you (or any of your owners) (a) fail on 3 or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on 2 or more separate occasions within any 6 consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(10) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your business assets are attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your business assets is not vacated within 30 days following the order's entry;

(11) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you;

(12) you (or any of your owners) fail to comply with any other provision of this Agreement, and do not correct the failure within 30 days after we deliver written notice of the failure to you; provided, however, that (a) if you fail to comply with the Development Schedule as described in paragraph (2) above or if the failure is covered in this paragraph (12), (b) such failure is the direct result of a Casualty Event, and (c) you are using good faith efforts to cure the failure, we will not exercise our rights under this Section unless you have failed to cure such default within 90 days following written notice thereof. As used in this paragraph, a “**Casualty Event**” is a fire, tornado, hurricane, flood, earthquake or similar natural disaster which is not within your control;

(13) you or any of your owners fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders; or

(14) you or any of your affiliates fail to comply with any other agreement with us or our affiliate and do not correct such failure within the applicable cure period, if any.

C. OBLIGATIONS UPON TERMINATION OR EXPIRATION.

Upon termination or expiration of this Agreement you and your owners must immediately: (1) cease conducting the business granted hereunder or holding yourself out to the public as being a multi-

unit developer of Smashburger Restaurants except as permitted under Franchise Agreements; (2) return to us or destroy (as we require) any and all Confidential Information (other than as used by you in connection with the operation of any Smashburger Restaurant under a Franchise Agreement with us); (3) comply with all other standards we establish from time to time (and all applicable laws) in connection with the wind-down of your business contemplated by this Agreement; and (4) without limiting any other rights or remedies to which we may be entitled, you must pay all amounts owing to us pursuant to this Agreement up to the date of termination.

D. COVENANT NOT TO COMPETE.

For 2 years beginning on the effective date of termination or expiration of this Agreement, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to, have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (1) within the Development Area, or (2) within a 5-mile radius of any other Smashburger Restaurant operated by us, our affiliates, or any franchisee of us or our affiliates. If any person restricted by this Section fails to comply with these obligations as of the date of termination or expiration, the 2-year restricted period for that person will commence on the date the person begins to comply with this Section, which may be the date a court order is entered enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living. The restrictions in this Section will also apply after any transfer, to the transferor and its owners, for a period of 2 years beginning on the effective date of the transfer, with the force and effect as though this Agreement had been terminated for such parties as of such date.

E. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

This Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors. Nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others the holder of Development Rights under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time. You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under this Agreement, and not our affiliates, designees, officers, directors, employees, or other representatives or agents.

B. NO LIABILITY TO OR FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the exercise of your Development Rights or the business you conduct under this Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors.

C. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and each of our and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all claims directly or indirectly arising out of: (1) your Development Rights, (2) the business you conduct under this Agreement, (3) your breach of this Agreement, and/or (4) instituted by your employees and/or by others that arise from your employment practices, including those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator. For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section. We may periodically demand that you advance funds to us to pay for any claims that we determine are indemnifiable under this Section, and you will advance such funds promptly upon our demand; provided, however, that if (and only to the limited extent that) any such claim is ultimately determined not to be indemnifiable under this Section in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator, we will reimburse any portion of such funds that are attributable to such non-indemnifiable claims.

9. ENFORCEMENT.

A. ARBITRATION

We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) your Development Rights, must be submitted for binding arbitration, on demand of either party, to the

American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor’s or assign’s then-current principal place of business (currently, Denver, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his, her, or their awards any relief which he, she, or they deem proper, including money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys’ fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (1) CONDUCTED ON A CLASS-WIDE BASIS, (2) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (3) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (4) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case’s outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as

“all documents directly or indirectly related to.” You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

B. CONSENT TO JURISDICTION.

Subject to the obligation to arbitrate under Section 9.A above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a court nearest to our or, as applicable, our successor's or assign's then-current principal place of business (currently Denver, Colorado), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

C. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for your obligation to indemnify us for third party claims under Section 8.C, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any proceeding brought by either of us.

D. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Section 9.A, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us or our affiliates loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

E. LIMITATIONS OF CLAIMS.

ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN 1 YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (1) CONDUCTED ON A CLASS-WIDE BASIS, (2) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (3) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (4) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

F. COSTS AND ATTORNEYS' FEES.

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

G. GOVERNING LAW.

Except to the extent governed by United States federal law, this Agreement, your Development Rights, and all claims arising from the relationship between us or any of our affiliates, and you and your owners and affiliates, will be governed by the laws of the State of Colorado, without regard to such state's conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Development Area is located.

10. MISCELLANEOUS.

A. SEVERABILITY.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, arbitrator, agency, or other tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid, unenforceable, or

unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of: (1) any custom or practice at variance with this Agreement's terms; (2) our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement; (3) our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other multi-unit developers; (4) the existence of other multi-unit development agreements which contain provisions different from those contained in this Agreement; or (5) our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any such legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

C. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.

You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement will be deemed to be delivered by the earlier of the time actually delivered, or as follows: (1) at the time via electronic transmission and, in the case of the amounts due, at the time we actually receive electronic payment, (2) 1 business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (3) 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of any Smashburger Restaurant that you operate. Any notice that we send to you by electronic means will be deemed delivered if it is delivered to the email address of the Managing Owner listed on Exhibit B or any other email address your Managing Owner has notified us of, and/or any branded email address we issue to your Managing Owner.

F. AGREEMENT EFFECTIVENESS.

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly-authorized representative of ours. Notwithstanding that this Agreement shall not be effective until signed by us, we reserve the right to make the effective date of this Agreement the date on which you signed the Agreement.

G. FURTHER ASSURANCES.

You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by laws enacted, exercise our vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

H. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Development Rights (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnish to you. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in this Agreement, including Section 8.C, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to: (1) “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. ; (2) “affiliate” of any person means any other person that is directly or indirectly owned or controlled by, under common control with, or owning or controlling such person; (3) “control” of any person means the ownership interest of greater than 50% of the outstanding ownership interests of any entity, and/or the power to direct or cause the direction of management and policies; (4) “ownership interest” means any direct or indirect title, ownership and/or beneficial interest in the equity, voting rights, or economic interest in any Entity; (5) “owner” means any person that holds any ownership interest in an Entity; (6) “person” means any natural person, Entity, unincorporated association, cooperative, or other legal or functional organization or entity; (7) unless otherwise specified, “days” means calendar days and not business days; and (8) “your Development Rights” includes all of the assets of the business that you operate under this Agreement. The use of the term “including” in this Agreement, means in each case “including, without limitation.”

If 2 or more persons are at any time the owners of your Development Rights, whether as partners or joint venturers, then their obligations and liabilities to us will be joint and several.

I. LAWFUL ATTORNEY.

Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this for any reason, then you hereby irrevocably appoint us as your lawful attorney with full power and authority: (1) to execute and deliver in your name any such documents and assurances; and (2) to do all other acts and things, all in such discretion as we may desire. You hereby agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and save us harmless from all claims, liabilities, losses, or damages suffered in so doing. You also hereby appoint us as your attorney-in-fact to receive and inspect your sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the Term.

J. BINDING EFFECT.

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. This Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

K. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be signed by electronic means.

L. PROHIBITED PARTIES.

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (1) the U.S. Treasury Department's List of Specially Designated Nationals, (2) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (3) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (4) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By:_____

Name:_____

Title:_____

EFFECTIVE DATE:_____

MULTI-UNIT DEVELOPER:

[Name]

By:_____

Name:_____

Title:_____

Date:_____

EXHIBIT A

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

THE DEVELOPMENT RIGHTS GRANTED HEREIN ARE (INSERT “PROTECTED” OR “NOT PROTECTED” AS APPLICABLE): _____. If nothing is inserted, the Development Rights are deemed to be not protected.

The **Development Area** is: _____

The **Development Schedule** is as follows:

Development Period	Franchise Agreements Executed During Development Period	Restaurants Opened During Development Period	Restaurants Operating by End of Development Period
_____ to _____	_____	_____	_____
_____ to _____	_____	_____	_____
_____ to _____	_____	_____	_____
_____ to _____	_____	_____	_____
_____ to _____	_____	_____	_____

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

MULTI-UNIT DEVELOPER:

[Name] _____
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

ENTITY INFORMATION

1. **Form.** You operate as a(n): ____ individual/sole proprietorship, ____ corporation, ____ limited liability company, or ____ partnership (CHECK ONE).
2. **Formation:** You were formed on _____(DATE), under the laws of the State of _____(JURISDICTION).
3. **Management:** The following is a list of your directors, officers, managers or anyone else with a management position or title:

<u>Name of Individual</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____

4. **Owners.** The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary):

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
_____	_____
_____	_____
_____	_____

5. **Managing Owner:**

Name:_____

Email:_____

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

MULTI-UNIT DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (the “**Agreement**”) on this date by **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company (“**we**,” “**us**,” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement that _____ (“**Multi-Unit Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Multi-Unit Developer and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Multi-Unit Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Multi-Unit Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Multi-Unit Developer or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement. for so long as any performance is or might be owed under the Agreement by Multi-Unit Developer or its owners, and for so long as we have any cause of action against Multi-Unit Developer or its owners; (5) this Guaranty will continue in full force and effect for and as to any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Multi-Unit Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) at our request, Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Multi-Unit Developer under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against Multi-Unit Developer arising as a result of its execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which Guarantor may be entitled.

The provisions contained in Section 9 (Enforcement) of the Agreement, including Section 9.A (Arbitration), Section 9.B (Consent to Jurisdiction) and Section 9.F (Attorneys’ Fees and Costs) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any

disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his, her, or their capacity as a spouse (and not as an owner) is signing that merely to acknowledge and consent to the execution of the Guaranty by his, her, or their spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property). Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Multi-Unit Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page to follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his, her, or their signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____

EXHIBIT D
FRANCHISE AGREEMENT

SMASHBURGER FRANCHISING LLC

FRANCHISE AGREEMENT

Franchisee: _____

Multi-Unit Developer (if different): _____

Store Number: _____

Store Address: _____

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EXHIBIT A	Listing of Ownership Interests
EXHIBIT B	Guaranty and Assumption of Obligations

SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “**Agreement**”) is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Denver, Colorado, 80210 (“**we**”), and _____, whose principal business address is _____ (“**you**”), as of the date signed by us and set forth below our signature on this Agreement (the “**Effective Date**”).

1. GRANT OF FRANCHISE.

A. BACKGROUND.

(1) We and our affiliates have developed (and may continue to develop and modify) a system for the operation of restaurants featuring hamburgers, sandwiches, salads, other food items and beverages, and related products and services authorized by us from time to time (each a “**Smashburger Restaurant**” and collectively, “**Smashburger Restaurants**”). Smashburger Restaurants are developed and operate using certain specified and distinct business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license others to use and promote certain trademarks, service marks, and other commercial symbols in operating Smashburger Restaurants, including the Smashburger® marks, and may create, use, and license other trademarks, service marks, and commercial symbols to identify Smashburger Restaurants and the products and services offered by Smashburger Restaurants (collectively, the “**Marks**”).

(3) We grant to persons who we determine satisfactorily meet our qualifications, and who confirm their willingness to undertake the investment and effort, a franchise to own and operate a Smashburger Restaurant offering the products and services we authorize and using our and our affiliates’ business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks (the “**System**”).

(4) You have applied for a franchise to own and operate a Smashburger Restaurant and have provided us with certain information in support of your application.

B. GRANT AND TERM OF FRANCHISE.

Subject to the terms of this Agreement, we hereby grant you a franchise to develop, own and operate a Smashburger Restaurant (your “**Restaurant**”) for a term that will begin on the Effective Date and will expire 15 years from the Effective Date, unless sooner terminated under Section 14 (the “**Term**”). You agree to, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement and to use your best efforts to promote your Restaurant and the Smashburger® brand.

C. **IF YOU ARE AN ENTITY.**

If you are at any time a corporation, limited liability company, or partnership (each, an “**Entity**”), you agree and represent that you will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and are and will, throughout this Term, remain validly existing and in good standing under the laws of the state of your formation. You agree to maintain organizational documents, operating agreement, or partnership agreement, as applicable, that reflect the restrictions on issuance and transfer of any ownership interests in you described in this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement’s restrictions.

You agree and represent that Exhibit A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date. You and each of your direct and indirect owners (including but not limited to those identified on Exhibit A) have submitted an application in writing requesting our consent and providing us all information or documents we request about you and your owners and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither you, your owners (if you are an Entity), nor your affiliates have an ownership interest in or perform services for a Competitive Business (defined in Section 7.A).

Each of your direct and indirect owners, and their spouses, will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached herein as Exhibit B. We confirm that a spouse who signs Exhibit B solely in his, her, or their capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the guaranty by his, her, or their spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse’s own separate property). Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised Exhibit A to reflect any permitted changes in the information that Exhibit A now contains.

You must identify on Exhibit A one of your owners who is a natural person with at least 25% ownership interest and voting power in you and who will have the authority of a chief executive officer (the “**Managing Owner**”). You must obtain our written consent prior to changing the Managing Owner and agree to deliver to us a revised Exhibit A to accurately identify the Managing Owner should the identity of that person change during the Term as permitted hereunder. You agree that the Managing Owner is authorized, on your behalf, to deal with us in respect of all matters whatsoever which may arise in respect of this Agreement. Any decision made by the Managing Owner will be final and binding upon you, and we will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement, and we will not be held liable for any actions taken by you or otherwise, based upon any decision or actions of the Managing Owner. You represent and agree that the person acting as your Managing Owner has full power and authority to enter into this Agreement and any other documents to which you are a party, and to make binding decisions on your behalf.

D. **PREMISES OF RESTAURANT.**

You may operate your Restaurant only at the specific location identified on Exhibit A (the “**Premises**”). If the Premises have not been approved when you sign this Agreement, site selection

will be subject to Section 2.A of this Agreement, and we will revise Exhibit A to identify the Premises once approved. You agree to use the Premises only for your Restaurant and, once it opens for business, to continuously operate your Restaurant in accordance with this Agreement for the duration of the Term. You agree not to conduct the business of your Restaurant at any location other than the Premises and to conduct delivery and catering services pursuant to terms authorized by us from time to time.

E. NO EXCLUSIVITY OR TERRITORY.

You have no exclusive rights and no territorial protection for your Restaurant. As such, we and our affiliates retain all rights relating to the location of Smashburger Restaurants and/or the conduct of any other business activities of any kind whatsoever, at all times before, during and after the Term, regardless of the nature or location of such activities or their customers, and including any business offering or selling products or services that are similar to, the same as, or competitive with, those that Smashburger Restaurants customarily offer or sell, including, the right to:

(1) establish and operate, and allow others to establish and operate, Smashburger Restaurants using the Marks and the System, at any location on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, restaurants, that may offer products and services which are identical or similar to products and services offered by Smashburger Restaurants, under other trade names, trademarks, service marks and commercial symbols different from the Marks;

(3) establish, and allow others to establish, other businesses and distribution channels (including, any Online Presence, defined in Section 5.B), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Smashburger Restaurants, and that sell products or services that are identical or similar to, or competitive with, those that Smashburger Restaurants customarily sell;

(4) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other business, including a Competitive Business, even if such business operates, franchises or licenses such businesses in close proximity to the Restaurant;

(6) operate or grant any third party the right to operate any Smashburger Restaurant that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement, any other franchise agreement or any other agreements; and

(7) engage in all other activities not expressly prohibited by this Agreement.

F. **THE EXERCISE OF OUR JUDGMENT.**

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

2. **DEVELOPMENT AND OPENING OF YOUR RESTAURANT.**

A. **SITE SELECTION.**

If you have not yet located a site for the Premises as of the Effective Date, then, within 180 days after the Effective Date, you agree to secure possession of a suitable site for your Restaurant. We have the right to approve the site of your Restaurant before you sign any lease, sublease or other document to secure its possession (the “Lease”). Our determination to approve or disapprove a site may be based on various criteria which may change from time to time in our discretion. You agree to send us all of the information we require for the proposed site. You may operate your Restaurant only at the Premises. We will make all determinations about whether to accept or reject a site based on our then-current criteria, which may change periodically. You may not relocate your Restaurant to a location other than the Premises without our prior approval.

If we recommend or give you information regarding a site for the Premises, that is not a representation or warranty of any kind, express or implied, of the site’s suitability for a Smashburger Restaurant or any other purpose. Our recommendation indicates only that we believe that the site meets our then-current criteria which have been established for our own purposes and are not intended to be relied upon by you as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic or other factors included in or excluded from our criteria could change, even after our approval of the Premises or your development of the Restaurant, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend fail to meet your expectations. You acknowledge and agree that your selection of the Premises is based on your own independent investigation of the site’s suitability for the Premises.

B. **LEASE OF PREMISES.**

We have the right to approve the terms of any Lease before you sign it, and you must provide us all of the information we require for the proposed Lease. Our approval may be conditioned on the lessor’s agreement to include certain provisions we require from time to time to protect our interests. Our current requirements are reflected in our form of lease addendum that is included in the Standards of Operations Manual. It is your sole responsibility to obtain a fully-executed lease addendum in our current form in connection with executing your Lease, without modification or negotiation, executed by you and the landlord. The lease addendum is intended to provide us certain protections under your Lease and may not benefit you or the landlord. We may reject any request for modifications to the lease addendum for any reason.

You acknowledge and agree that you have the sole responsibility to negotiate and execute your Lease. You acknowledge and agree that any of our involvement in the Lease review and

approval is for our sole benefit. You agree that you are not relying on our Lease review and approval for your benefit. You further acknowledge that you have been advised to obtain the advice of your own professional advisors before you sign a Lease. If you do not agree with the Lease provisions that we have approved, you may elect not to sign the Lease, but you would have to find another suitable site for the Premises and secure its possession by signing a Lease we have approved for such site. You must deliver an executed copy of your Lease and lease addendum to us within 10 days after execution.

Upon submission of each proposed Lease for the Restaurant, you must pay us or our designated vendor (defined in Section 8.D), which may be us or our affiliates, a lease review fee of One Thousand Five Hundred Dollars (\$1,500) (“**Lease Review Fee**”). The Lease Review Fee pays the expenses we incur to review certain provisions of the Lease solely for our own purposes. Our review of your proposed Lease is not for your benefit, and we do not guarantee that the terms, including rent, will represent the most favorable terms available in that market.

C. **DEVELOPMENT OF YOUR RESTAURANT.**

We will provide you our then-current prototypical plans showing the standard layout and specifications for a Smashburger Restaurant in our Standards of Operations Manual. You agree at your expense to do all things necessary to develop and prepare your Restaurant for opening in accordance with this Agreement and our System Standards (defined in Section 4.C) including that you must:

- (1) obtain and submit to us for approval detailed construction plans and specifications and space plans for your Restaurant that comply with any design specifications or prototypical plans provided by us and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions, including those arising under the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions;
- (2) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses, liquor license and any other consents, permits and licenses necessary to lawfully open and operate your Restaurant;
- (3) construct all required improvements in compliance with construction plans and specifications approved by us;
- (4) obtain and install the operating assets we designate from time to time as meeting our System Standards for quality, design, appearance, function, and performance (collectively, the “Operating Assets”), including: (a) the Technology Systems (defined in Section 8.J), and (b) all other fixtures, furniture, equipment, furnishings, and signage and other products and services that that we approve for Smashburger Restaurants (if we designate or approve certain brands, types, and models of Operating Assets, you agree to purchase or lease only Operating Assets meeting the specifications we have designated or approved);
- (5) obtain all customary contractors’ sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; and

(6) obtain all certificates of insurance to demonstrate to us your compliance with our insurance requirements.

D. FINANCING; LIQUIDITY.

You must at all times maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time to time, to establish certain levels of working capital reserves, debt to equity or borrowing limits, or other liquidity requirements and you will comply with such requirements, as we may modify them periodically. You must at all times ensure you will have sufficient cash and working capital reserves to comply with our requirements and your obligations under this Agreement.

E. BUSINESS OPENING.

You must satisfy all of our System Standards for developing and opening your Restaurant, and open your Restaurant for business by the earlier of: (1) 150 days after you sign the Lease, or (2) 12 months after the Effective Date; provided, that if you are developing your Restaurant, pursuant to a multi-unit development agreement that you have signed with us, the deadline to open your Restaurant will be the deadline specified in the development schedule of your multi-unit development agreement. We must approve the date that you open your Restaurant for business, and you will not open your Restaurant without a written notice of approval from us. The date that your Restaurant opens for business will be your “**Opening Date**” under this Agreement.

3. FEES.

A. INITIAL FRANCHISE FEE.

You agree to pay us a nonrecurring initial franchise fee equal to \$40,000 at the time you sign this Agreement. You acknowledge that the initial franchise fee is due, and fully earned by us, when you sign this Agreement and not refundable to you after it is paid.

B. ROYALTY FEE.

You agree to pay us on or before Tuesday of each week, in the manner provided below (or as the Standards of Operations Manual otherwise prescribes), a weekly royalty fee (the “**Royalty**”) equal to **five and one-half percent (5.5%)** of the weekly Gross Sales (defined in Section 3.C below) during the preceding week (beginning on Monday and ending on Sunday).

C. DEFINITION OF “GROSS SALES”.

As used in this Agreement, the term “**Gross Sales**” means all revenue that you derive from operating your Restaurant (whether or not in compliance with this Agreement), whether from cash, check, student meal cards and dining/meal plan vouchers, tickets, tokens or other comparable forms of payment, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits and discounts your Restaurant in good faith gives to customers and your employees. We include gift certificate, gift card or similar program payments in Gross Sales when the gift certificate,

gift card, other instrument or applicable credit is redeemed. Gross Sales also include all insurance proceeds you receive for loss of business and loss of revenue, due to a casualty to or similar event at the Restaurant.

D. INTEREST ON LATE PAYMENTS.

All amounts which you owe us for any reason will bear interest accruing as of their due date at 2% per month or the highest commercial contract interest rate the law allows, whichever is less. We will charge a service fee of \$100 per occurrence or the highest rate permitted by applicable law, whichever is less, for checks returned to us due to insufficient funds or in the event there are insufficient funds in the business account you designate to cover our withdrawals. We may debit your bank account automatically for the service charge and interest. You acknowledge that this Section is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Restaurant.

E. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We and our affiliates may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners.

F. METHOD OF PAYMENT.

You must make all payments due under this Agreement in the manner we designate from time to time and you agree to comply with all of our payment instructions. You authorize us to debit your checking, savings or other account automatically for all amounts due to us or our affiliates (the “**EFT Authorization**”). You agree to sign and deliver to us any documents we require for such EFT Authorization. Such EFT Authorization shall remain in full force and effect during the Term. We will debit the account you designate for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds are available in your designated account to cover our withdrawals. We may change the timing, frequency and intervals of any payments from time to time, but with no less than 30 days’ prior written notice to you. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD).

If (1) you fail to report Gross Sales, (2) we cease to have access to your Technology Systems, or (3) your Restaurant is closed without our authorization for any period of time, then for any fees under this Agreement which are calculated based on Gross Sales, we may debit your account for 110% of the average Gross Sales for the last three months of operations of your Restaurant. If the amounts that we debit from your account on the basis of any understatement are less than the amounts you actually owe us once we have determined the true and correct Gross Sales, then we will debit your account for the balance on the day we specify. If the amounts that we debit from your account on the basis of any understatement are greater than the amounts you actually owe us, then we will credit the excess against the amounts we otherwise would debit from your account during the following week.

If a law is enacted during the Term which prohibits or restricts in any way your ability to pay and our ability to collect Royalty or other amounts based on Gross Sales derived from the sale of alcoholic products, then we reserve the right to modify your payment obligations to us under this

Agreement and revise the applicable provisions hereunder in order to provide the same basic economic effect to both us and you as currently provided in this Agreement. In such event, you agree to execute the appropriate document(s) in the form we prescribe to give effect to or take account of such revisions. If we determine in good faith that the effect of any law enacted hereafter will be materially detrimental to our interests, we may terminate this Agreement by delivering written notice thereof to you.

G. NON-COMPLIANCE CHARGE.

In addition to our other rights and remedies, we may charge you a non-compliance charge in an amount up to \$1,000 for each violation of any term of this Agreement, including failure to pay (or to have adequate amounts available for electronic transfer of) amounts you or your affiliates owe us or our affiliates or failure to timely provide required reports and financial statements. We may change or eliminate this charge in our sole discretion.

4. TRAINING AND ASSISTANCE.

A. TRAINING.

After you sign this Agreement and no later than 60 days before you open your Restaurant, you (or your Managing Owner), your Designated Manager (defined in Section 8.C) (if applicable), and such other of your representatives that we specify taking into account your organization, infrastructure and experience (the “**Mandatory Trainees**”) must complete, to our satisfaction, initial training conducted by us on the material aspects of operating a Smashburger Restaurant. We will control the substance and duration of our initial training program, which will be held at location and in a format of our choice, which may be virtual. We may vary the contents or duration of the initial training based on the experience, role, responsibilities of your attendees and other factors we determine. All of the Mandatory Trainees must complete initial training to our satisfaction prior to operating your Restaurant. Scheduling of the training is based on the Mandatory Trainees’ availability, availability of space in the program, training restaurant availability and the projected opening date for your Restaurant which is finally determined by us. If we determine that the Mandatory Trainees cannot successfully complete initial training to our satisfaction, we may terminate this Agreement.

Although we provide initial training for no additional fee for up to four Mandatory Trainees, you agree to pay for all travel and living expenses which all Mandatory Trainees, or other attendees of the training program incur and for your employee’s wages and workers’ compensation insurance while attending training.

You may request additional training for the Mandatory Trainees at the end of the initial training program, to be provided at our then current per diem charges, if you do not feel that the Mandatory Trainees were sufficiently trained in the operation of a Smashburger Restaurant. We and you will jointly determine the duration of this additional training. However, if the Mandatory Trainees complete our initial training program to our satisfaction, and you have not expressly informed us in writing at the end of that program that you do not feel that your Mandatory Trainees were sufficiently trained in the operation of a Smashburger Restaurant, then you and they will be deemed to have been trained sufficiently to operate a Smashburger Restaurant.

You have the ultimate and exclusive responsibility for ensuring that all of your employees and personnel are appropriately trained to operate the Restaurant in accordance with this Agreement and our System Standards. We may periodically establish certain minimum requirements for your employee training programs; however, you understand that these minimum requirements are solely intended to protect our System and the goodwill of the Marks.

If this is the first or second Smashburger Restaurant opened by you or your affiliates we will send a training team to your Restaurant to provide you with guidance for your grand opening (the identity and composition of which will be in our discretion), at no additional cost to you. If this is the third or subsequent Smashburger Restaurant opened by you or your affiliates, we will send a lead trainer to provide you with grand opening guidance; provided, that we reserve the right to send a training team to assist the lead trainer in providing grand opening guidance for your third or subsequent Restaurant, if we deem it necessary (the identity and composition of which will be in our discretion). You will be responsible for reimbursing us the costs and expenses incurred by the lead trainer, and any other trainers or training team we send to provide support for your third or subsequent Restaurant, including the costs of travel, lodging, meals and a per diem to cover the trainers' salary. Our trainer(s) will determine the amount of required time and guidance necessary for your grand opening. Despite any guidance we provide you, you have the ultimate responsibility for conducting the grand opening of your Restaurant in accordance with our System Standards.

We may require you (or your Managing Owner), your Designated Manager (if applicable) and previously trained and experienced persons to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate, including courses and programs provided by third-parties we designate. Besides attending these courses, you (or your Managing Owner), your Designated Manager (if applicable), and/or other Mandatory Trainee(s) (if applicable) agree to attend an annual meeting of all Smashburger Restaurant franchise owners at a location we designate, which may be virtual. Attendance at the annual meeting will not be required for more than four days during any calendar year (which may be spread over more than 4 days if certain courses are not full-day courses). You agree to pay all costs to attend.

If you have a new Managing Owner or Designated Manager during the Term, the new Managing Owner or Designated Manager must satisfactorily complete our then current initial training program. We may charge reasonable fees for training a new Managing Owner or Designated Manager. You also agree to pay all travel and living expenses which your Managing Owner or Designated Manager incurs during all training courses and programs.

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

You agree to pay all travel and living expenses (including wages, transportation, food, lodging, and workers' compensation insurance) that you and your Mandatory Trainees or any other personnel incur during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Restaurant to conduct training, including food, lodging and transportation

B. GENERAL GUIDANCE.

We will advise you from time to time regarding the operation of your Restaurant based on your reports or our inspections and will guide you with respect to: (1) System Standards and other suggested standards, specifications and operating procedures and methods that Smashburger Restaurants use; (2) purchasing required and authorized Operating Assets and other products and services; and (3) advertising and marketing materials and programs. We may also provide guidance on the telephone, virtually, or at our offices. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including our personnel's per diem charges and travel and living expenses.

Notwithstanding any provision in this Agreement to the contrary (including our obligations related to operations support, inspections, training or otherwise), we will not be required to send any of our personnel and/or representatives to your Restaurant to provide any services in-person if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement and will not serve as a basis for your termination of this Agreement. We may also, at any time, for any reason, elect to conduct any or all support, inspections, training, or other services virtually, and you agree to comply with our instructions for all virtual programs.

C. STANDARDS OF OPERATIONS MANUAL.

We make our manual for the operation of Smashburger Restaurants available to you during the Term (the “**Standards of Operations Manual**”), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available through any Online Presence, other electronic media, or written materials. The Standards of Operations Manual contains mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Smashburger Restaurants (“**System Standards**”), other specifications, standards and policies we may suggest from time to time, and information on your obligations under this Agreement. We may modify the Standards of Operations Manual periodically to reflect changes in System Standards, including in the form of memoranda and newsletters.

We may make the Standards of Operations Manual available to you through an Online Presence. If we do so, you agree to monitor and access that Online Presence for any updates to the Standards of Operations Manual. Any passwords or other digital identifications necessary to access the Standards of Operations Manual on any Online Presence will be deemed to be part of Confidential Information (defined in Section 6). We have no obligation to provide you a printed copy of the Standards of Operations Manual. You agree to keep all hard copies of the Standards of Operations Manual current and in a secure location at your Restaurant. If there is a discrepancy between our copy of the Standards of Operations Manual and yours, our copy of the Standards of Operations Manual controls. You agree that the Standards of Operations Manual's contents are confidential, and you may not at any time copy, duplicate, record, or otherwise reproduce any part of the Standards of Operations Manual.

D. DELEGATION OF PERFORMANCE.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our affiliates, agents or independent contractors with whom we have contracted to perform these obligations.

5. **INTELLECTUAL PROPERTY.**

A. **OWNERSHIP AND GOODWILL.**

You acknowledge and agree that we and /or our affiliates are the sole and exclusive owners of the Marks, the System, and all goodwill arising from the Marks and the System. You acknowledge and agree that your use of the Marks and the System and any goodwill established by that use are exclusively for our and our other affiliates' (as their interests may appear) benefit and that this Agreement does not confer any goodwill or other interests in the Marks or the System upon you (other than the right to operate your Restaurant under this Agreement). Your unauthorized use of the Marks and the System would be a breach of this Agreement and an infringement on our and our affiliates intellectual property rights. Your unauthorized use of the Marks and the System will cause us and our affiliates irreparable harm for which there is no adequate remedy at law and will entitle us and our affiliates to injunctive relief. All provisions of this Agreement relating to the Marks and the System apply to any additional or modified components of the Marks and the System we authorize you to use. You may not at any time during or after the Term contest or assist any other person in contesting the validity of any registration for the Marks or the System, and/or our or our affiliates' rights to the Marks and the System.

B. **USE OF MARKS AND SYSTEM.**

You are hereby granted a limited, non-exclusive license to use the Marks and the System, during the Term, strictly to operate your Restaurant in compliance with the terms of this Agreement and our System Standards. You have no right to sublicense or assign your right to use the Marks and the System. You agree to give the notices of registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

You agree at all times to faithfully, honestly, and diligently promote the Marks in connection with operating your Restaurant. You agree to use and display the Marks in the style and graphic manner we describe in the Standards of Operation Manual. You may not use any other trademarks, service marks, commercial symbols, other than the Marks, to identify or operate your Restaurant. You may not use any Mark or any part thereof (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind ("**Online Presence**"), except in accordance with our guidelines set forth in the Standards of Operations Manual, or (5) in any other manner that we have not expressly authorized in writing. You may not use any Mark in advertising any prospective transfer that would require our approval under this Agreement without our prior written consent. You agree to display the Marks prominently as we prescribe at your Restaurant and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of the Marks or component of the System, or of any person's claim of any rights in the Marks or component of the System, and not to communicate with any person other than us, our affiliates and

our and their attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation or other legal or administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning the Marks or the System. You agree to sign any documents and take any other reasonable action that, in the opinion of our and our affiliates' attorneys, are necessary or advisable to protect and maintain our and our affiliates' interests or otherwise to protect and maintain our and our affiliates' interests in the Marks and the System. We will reimburse you for your reasonable costs of taking any action that we or our affiliates have asked you to take. You acknowledge and understand that neither we nor our affiliates will have any obligation to defend the Marks or the System from valid claims of prior use or of lawful concurrent use by others.

D. CHANGES TO MARKS AND SYSTEM.

If we decide, in our sole judgment, to modify or discontinue the use of any component of the Marks or the System, you agree, at your expense, to comply with our directions to modify or otherwise discontinue the use of the Marks or the System, within a reasonable time after our notice to you.

E. INDEMNIFICATION FOR USE OF MARKS.

We agree to reimburse you for all reasonable direct out of pocket costs and expenses that you incur in defending any trademark infringement proceeding disputing your authorized use of the Marks under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and our affiliates and may control the defense of any proceeding arising from your use of the Marks under this Agreement. If we choose to control the defense of any such proceeding, we may choose our own legal counsel and other similar representatives, and we will not be liable to you or any of your affiliates or representatives for any costs or expenses incurred on the basis of any additional or separate legal counsel or similar representatives you or they retain.

F. NON-DISPARAGEMENT.

During and after the Term, you agree not to (and if you are conducting business as an Entity, each of your owners agrees not to) and to use your best efforts to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees or multi-unit developers of us or our affiliates, the Smashburger ® brand, the System, any Smashburger Restaurant, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or take any other action which would: (1) subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, (2) negatively impact the goodwill of the Marks or the System, or (3) constitute an act of moral turpitude.

6. CONFIDENTIAL INFORMATION.

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the System and operation of Restaurants (the “**Confidential Information**”), including: (1) site selection criteria;

(2) training and operations materials and manuals, including recipes and the Standards of Operations Manual; (3) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating Smashburger Restaurants; (4) market research, promotional, marketing and advertising programs for Smashburger Restaurants; (5) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies; (6) any computer software or similar technology which is proprietary to us, our affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of any Smashburger Restaurants; (8) customer data, including names, addresses, telephone numbers, email addresses, buying habits, purchase history, preferences, demographic information and related information, opt-in/opt-out preferences, and information regarding the exercise of any other privacy rights; (9) any other data, materials, and/or information that is created by, stored in, and/or derived from your Technology Systems in connection with your Restaurant; and (10) any other information designated as confidential or proprietary by us or our affiliates.

All Confidential Information will be owned by us or our affiliates (other than Restricted Data, defined in Section 8.K). You acknowledge and agree that: (1) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating your Restaurant during the Term; and (2) our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and/or our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the Term you will, and will cause each of your respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors and assigns to:

(a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Restaurant in accordance with this Agreement, and not for any other purpose of any kind;

(b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions;

(c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Restaurant in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;

(d) not make unauthorized copies of any of our Confidential Information;

(e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our

rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of this Agreement (and we reserve the right to designate or approve the form of confidentiality agreement that you use); and

- (f) at our request, destroy or return any of the Confidential Information.

Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

We and our affiliates are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you, your owners, and/or your affiliates for any errors or omissions in the Confidential Information.

As between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, “**Innovations**”) made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you agree to execute, verify, and deliver such documents and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you.

7. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

We have granted you the terms in this Agreement in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, immediate family members, affiliates, successors and assigns, not to:

- (1) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than 5% of a Competitive Business whose

stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of your Restaurant to a Competitive Business; or

(4) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

The term “**Competitive Business**” means any restaurant, food service or other business (other than a Smashburger Restaurant or other restaurant business that you operate pursuant to a valid franchise agreement with us or our affiliates): (1) whose gross receipts from the sale of hamburgers represent, at any time, at least 10% of the business’ total gross receipts (excluding receipts from the sale of alcoholic beverages), (2) whose menu, concept, business model or method of operation is similar to that employed by restaurant units operated, franchised or licensed by us, (3) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (4) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use, including to require that we and our affiliates be third party beneficiaries of that agreement with independent enforcement rights.

B. NON-INTERFERENCE.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to use your best efforts to cause your current and former owners, officers, directors, agents, employees, representatives, attorneys, immediate family members, affiliates, successors and assigns not to, solicit, interfere, or attempt to interfere with our or our affiliates’ relationships with any customers, franchisees, lenders, vendors, or consultants.

8. BUSINESS OPERATIONS AND SYSTEM STANDARDS.

A. CONDITION AND APPEARANCE OF YOUR RESTAURANT.

You must place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we approve from time to time. You further agree to maintain the condition and appearance of your Restaurant, its Operating Assets and the Premises to meet the highest standards of professionalism, cleanliness, sanitation, efficient, courteous service and pleasant ambiance. Without limiting the foregoing, you agree to take the following actions during the Term at your expense: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals that we may prescribe; (2) interior and exterior repair of the Premises as needed; and (3) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be

repaired or replaced). In addition to the foregoing, you agree to renovate, refurbish, remodel, or replace, at your own expense, the real and personal property and equipment used in operating the Restaurant when reasonably required by us to comply with our System Standards. If we change our System Standards, we shall give you a reasonable period of time within which to comply with such changes.

B. PRODUCTS AND SERVICES YOUR RESTAURANT OFFERS.

You agree that you (1) will offer and sell from your Restaurant all of the products and services that we periodically specify; (2) will not offer or sell at your Restaurant, the Premises or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove. You will offer for sale and sell at your Restaurant authorized products and services only in the manner (including, days and hours of operation) and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution, including through any Online Presence. You must immediately bring your Restaurant into compliance with our System Standards for such products or services, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your Technology Systems to include any software, hardware or other equipment necessary to offer such products services through an online and/or automated system. If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, then we reserve the right to limit the geographic area in which you may offer such services, and we may modify that geographic area from time to time, in our sole discretion.

C. MANAGEMENT OF YOUR RESTAURANT.

You are solely responsible for the management, direction and control of your Restaurant. You (or your Managing Owner) must supervise the management and operation of your Restaurant on a full-time basis and continuously exert best efforts to promote and enhance your Restaurant. However, you (or your Managing Owner) may elect not to supervise your Restaurant on a full-time basis, provided that you obtain our approval of any management level employee and/or other person, agent, or management company that you wish to engage to supervise the management of your Restaurant (your “**Designated Manager**”). We may establish conditions for approving any such Designated Manager, in our discretion, which may include completion of training, confirmation that such Designated Manager has no involvement with any Competitive Businesses, and/or execution of a non-disclosure agreement (that we approve or designate) or other covenants that we require. Each Designated Manager must complete the initial training program to our satisfaction before providing services at your Restaurant and must work at your Restaurant on a full-time basis.

During any period in which no Designated Manager is approved (including because the Designated Manager resigns or otherwise indicates to us or you that he, she, or they wish to cease acting as your Designated Manager, or we disapprove of your Designated Manager for any reason), you (or if you are conducting business as an Entity, your Managing Owner), or a Mandatory Trainee who has completed the initial training program to our satisfaction must supervise the day-to-day operations of your Restaurant on a full-time basis. Your Restaurant must always be under the direct on-site and full-time supervision of one or more persons who we have approved and who have completed the initial training program to our satisfaction.

D. APPROVED VENDORS.

Unless we designate certain items or services used in the development or operation of your Restaurant that you may purchase from a vendor of your choosing, you must purchase those items or services only from manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as “**vendors**”) that are then approved by us. We also reserve the right to approve or designate, from time to time, the terms and distribution methods for any goods or services. You shall purchase all goods and services required for the operation of your Restaurant from such approved or designated vendors (which may be only one vendor for any given good or service) under terms, in the manner, and from the source designated by us or any of our affiliates. If we or any of our affiliates designate such goods and services are to be purchased through approved or designated third party distributors, then you shall purchase such goods and services from such distributors pursuant to the terms and in the manner approved by us and/or our affiliates. We or our affiliates may, at our option, arrange with designated vendors to collect payments and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our affiliates may autodebit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty and other fees. We or any of our affiliates may be a vendor, or otherwise party to these transactions, and may derive revenue or profit from such transactions. We and any of our affiliates may use such revenue or profit without restriction.

If you would like us to consider approving a vendor that is not then approved, then you must submit your request in writing before purchasing any items or services from that vendor. We will not be obligated to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed vendor. We may, with or without cause, revoke our approval of any vendor at any time.

E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of your Restaurant and operate your Restaurant in full compliance with all applicable laws, ordinances and regulations, including PCI compliance standards. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Restaurant as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16.D pertain to your obligations hereunder.

If any applicable laws, ordinances or regulations require you to alter the operations of your Restaurant and/or conflict with the requirements we impose as System Standards, then you agree to promptly notify us; and if any such laws, ordinances or regulations are lifted, then you agree to promptly begin to operate your Restaurant in full compliance with our System Standards.

Your Restaurant must in all dealings with its customers, vendors, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Smashburger Restaurants. You must notify us in writing within three business days of: (1) the commencement of any action, suit or proceeding relating to your Restaurant; (2) the issuance of any order, writ, injunction, award or decree of any court, arbitrator, agency or other governmental instrumentality relating to your Restaurant; (3) any notice of violation of any law, ordinance or regulation relating to your Restaurant and/or any audit, investigation, or similar proceeding pending or threatened against you on the basis of any of the foregoing; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to your Restaurant; (5) written complaints from any customer or potential customer, and (6) any and all other notices you receive claiming that you (or your affiliates or representatives) have violated or breached any intellectual property rights, or the terms and conditions of any agreements related to the operation of your Restaurant, including any default notices from any landlord or vendor. You must immediately provide us copies of any documentation you receive of any of the foregoing events and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

F. **INSURANCE.**

During the Term you must maintain in force at your sole expense comprehensive business owners coverage (including contents insurance, loss of business income, employee dishonesty, money coverage, comprehensive general liability and liquor liability) hired/non owned auto liability, boiler and machinery coverage, umbrella coverage, building coverage, and auto liability coverage, all containing the minimum liability coverage we prescribe from time to time. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which the Restaurant is operated. We may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, then in addition to our other remedies, we may (but need not) obtain such insurance for you and your Restaurant on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Restaurant's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Restaurant that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates under Section 16.D or otherwise.

G. **PRICING.**

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by Smashburger Restaurants. If we impose such a maximum or minimum price for any product or service, then you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

H. **CONTACT IDENTIFIERS.**

You agree that each telephone number, directory listing, and any other type of contact information used by or that identifies or is associated with your Restaurant (any “**Contact Identifiers**”) will be used solely to identify your Restaurant in accordance with this Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. The Contact Identifiers may be used only for your Restaurant in accordance with this Agreement and our System Standards and for no other purpose.

We reserve the right to notify any telephone company, listing agencies, website hosting company, domain registrar, social network, and any other third-party owning or controlling any Contact Identifiers, if any information relating to your Restaurant is inaccurate or violates our System Standards, and request that they modify such Contact Identifiers, and/or remove such Contact Identifiers until it can be corrected.

I. **COMPLIANCE WITH SYSTEM STANDARDS.**

Operating and maintaining your Restaurant according to System Standards are essential to preserve the goodwill of the Marks and the goodwill of all Smashburger Restaurants. Therefore, you agree at all times to operate and maintain your Restaurant according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards, you retain the right and sole responsibility for the day-to-day management and operation of your Restaurant and the implementation and maintenance of System Standards at your Restaurant. System Standards may regulate any aspect of the operation and maintenance of your Restaurant, including, but not limited to, any one or more of the following:

- (1) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(2) staffing levels for your Restaurant, qualifications, training, uniform and appearance (although you have sole responsibility and authority concerning all other matters relating to employee and personnel, including, hiring and promotion, hours worked, rates of pay and other benefits, work assigned, the manner of performing work, and working conditions);

(3) use and display of the Marks;

(4) days and hours of operation;

(5) methods of payment that your Restaurant may accept from customers;

(6) policies for the registration, use, content, or management of Online Presences, or other technology systems, solutions, or products;

(7) participation in market research and testing and product and service development programs;

(8) participations in gift card programs;

(9) menus, including product offerings, appearance, and inclusion of nutrition information;

(10) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition; and giving us copies of tax returns and other operating and financial information concerning the Restaurant and your business;

(11) participation in quality assurance and customer satisfaction programs;

(12) use of any third-party food delivery services, online ordering services, or other food aggregation services;

(13) types, amounts, terms and conditions of insurance coverage required for your Restaurant, including criteria for your insurance carriers; and

(14) any other aspects of operating and maintaining your Restaurant that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Smashburger Restaurants.

You agree to implement any changes to your Restaurant in accordance with our System Standards within the time period we request, including by buying new Operating Assets, upgrading or replacing any or all of the Technology Systems, adding new products and services, or otherwise modifying the nature of your operations, as if part of this Agreement as of the Effective Date. You will be solely responsible for the costs of implementing all changes to your Restaurant in accordance with the System Standards.

You acknowledge and agree that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right to vary System Standards for any franchise owner based on the peculiarities of any condition that we consider

important to that franchise owner's successful operation or preserving the goodwill of the System and Marks. We may choose not to authorize similar variations or accommodations to you or other franchise owners. Additionally, variations or accommodations we grant you for one Smashburger Restaurant is not automatically authorized for other Smashburger Restaurants.

J. TECHNOLOGY SYSTEMS.

You must acquire and use all hardware, software, technology, and other systems that we specify from time to time, including computer, point-of-sale systems, financial and reporting software, telecommunications, security and similar systems, together with the associated hardware, software, applications, integrations, and related equipment and services (collectively the **"Technology Systems"**). We may establish System Standards for the Technology Systems and/or require the use of designated Technology Systems for any purpose associated with your Restaurant, including purchasing equipment and supplies, pricing, scheduling, accounting, security, data management, information storage, retrieval and transmission, customer information, customer programs, marketing, communications, or any other business purpose. We may require that you, at your expense, acquire new or substitute Technology Systems, and/or replace, upgrade or update existing Technology Systems. You must take all steps necessary to enable us to have independent and unlimited access to the data collected through the Technology Systems as we designate, including information regarding Gross Sales, customer information, sales and performance reports, and any other information relating to your Restaurant. You are responsible for all fees, costs, and expenses associated with acquiring, licensing, utilizing, updating, and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed directly from designated or approved vendors, which may be us or our affiliates.

You are solely responsible for establishing and maintaining the connectivity, security, and reliability of the Technology Systems, including protecting it against computer viruses, bugs, power disruptions, disruptions, internet access failures, downtime and outages, data-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

K. INFORMATION SECURITY.

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, billing and payment information, biometric or health data, and/or government-issued identification numbers (**"Personal Information"**). You may gain access to such Personal Information from us, our affiliates, our vendors, and/or your own operations. You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 6.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (1) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes of practice issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (2) assist us with meeting our compliance obligations under all applicable laws, regulations, and orders relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (3) promptly notify us

of any communication or request from any customer or other person to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual incident regarding security or unauthorized access involving Personal Information, then you will notify us immediately and specify the extent to which Personal Information was and/or may have been compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the incident. We reserve the right to conduct a data security and privacy audit of any of your Restaurant and your Technology Systems at any time, from time to time, to ensure that you are complying with our requirements.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “**Restricted Data**”): (1) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Restaurant; (2) such other Personal Information as we from time to time expressly designate as Restricted Data; and/or (3) any other Personal Information to which we do not have access. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes of practice issued by industry or regulatory agencies applicable to such Restricted Data.

L. **EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.**

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Restaurant. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, benefits, work hours and schedules, work assignments, methods and manner of performing duties, safety and security, discipline, and supervision. You agree to manage the employment functions of your Restaurant in compliance with federal, state, and local employment laws. Without limiting the foregoing, you agree that we may require that any employee, agent, or independent contractor that you hire and that will have access to Confidential Information execute a non-disclosure agreement that we approve or designate. If we approve or designate any form of non-disclosure agreement, then it is solely to ensure that it meets our minimum standards to protect us and the Marks and System, then it is your sole responsibility to: (1) ensure that the non-disclosure agreement complies with and is enforceable under applicable laws in your jurisdiction; and (2) obtain your own professional advice with respect to the terms and provisions of any such non-disclosure agreement that your employees, agents, and independent contractors sign.

9. **MARKETING.**

A. **GRAND OPENING ADVERTISING.**

In addition to all other amounts you are required to spend on marketing under this Agreement, you must spend at least \$10,000 for a grand opening marketing program for your

Restaurant to take place on the dates we designate before and after your Restaurant opens. You must spend this amount in addition to all other amounts you must spend on advertising specified in this Agreement. The amount you spend on grand opening advertising will not count towards your local marketing expenditure for such year as described in Section 9.C, or the aggregate cap on annual contributions to any Marketing Fund or Local Advertising Cooperative (defined in Section 9.D below) as described in Section 9.B. You agree to use the media, materials, programs and strategies we develop or approve in connection with the grand opening advertising program. Further, if this Agreement is for any of the 1st three Restaurants you or your affiliates have developed, you shall, as part of the grand opening program, hire a local public relations firm, subject to our approval, for the three-month period around the grand opening (currently, 1 month prior and 2 months subsequent to opening) to assist in the marketing, advertising and promotion of your Smashburger Restaurant.

B. MARKETING FUND.

You agree to contribute to a marketing fund to be used to promote the awareness of the Smashburger brand and Smashburger Restaurants generally (the “**Marketing Fund**”). Your contribution will be in amounts we specify from time to time, and will be payable in the same manner as the Royalty. Currently, the required Marketing Fund contribution is two and one-quarter percent (2.25%) of your Restaurant’s Gross Sales. However, we have the right, at any time and on notice to you, to change the amount you must contribute to the Marketing Fund, but we cannot require that you contribute more than four percent (4%) of your Restaurants’ Gross Sales, and we cannot require that your required Marketing Fund contribution, the local marketing requirement pursuant to Section 9.C below, and the required contribution to a Local Advertising Cooperative exceed five percent (5%) of your Restaurant’s Gross Sales.

We or our affiliates or other designees will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a System Website (defined in Section 9.E below) and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices; implementing a loyalty program or other marketing programs designed to encourage the use of Smashburger Restaurants; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Marketing Fund will give you a sample of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. However, we may use the Marketing Fund to reimburse us or our affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund’s other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in

activities reasonably related to administering or directing the Marketing Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Marketing Fund contributions.

The Marketing Fund will not be our asset. We do not owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. We will hold all Marketing Fund contributions for the benefit of the contributors and use contributions for the purposes described in this Section. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the most-recently available statement upon written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

We intend for the Marketing Fund to promote recognition of the applicable Marks, the Smashburger brand and patronage of Smashburger Restaurants. Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Smashburger Restaurants contributing to the Marketing Fund, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by Smashburger Restaurants operating in that geographic area or that any Smashburger Restaurant benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but not the obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce contributions of a Smashburger Restaurant franchise owner and, upon 30 days' prior notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, then we will spend all unspent monies in accordance with this Section, until such amounts are exhausted. We may elect to maintain multiple Marketing Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds or the administration thereof, in each case provided that each such Marketing Fund will otherwise remain subject to this Section.

C. LOCAL MARKETING EXPENDITURES.

You are solely responsible for conducting all local advertising for your Restaurant. You must advertise and market your Restaurant in any advertising medium we determine, using forms of advertisement we approve. You must also list your Restaurant with the online directories and subscriptions we periodically prescribe, and/or establish any other Online Presence we require. You must comply with all of our System Standards for all advertising for your Restaurant.

We may require you to spend, beginning after you complete your grand opening advertising obligations in Section 9.A above, at least one percent (1%) of the Restaurant's Gross Sales each calendar quarter to advertise and promote your Restaurant (this may include costs of yellow pages advertising); provided, however, that if you or your affiliates operate two or more Restaurants, we may require you to spend at least three percent (3%) of your Gross Sales each calendar quarter to advertise and promote your Restaurants. Any amount of Local Advertising Cooperative contribution you make will be set off against amounts required to be spent by you under this Section. Within 30 days after the end of each calendar quarter, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. At least 20 days before you intend to use them, you agree to send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within 10 days after we receive the materials, then they are deemed to be disapproved. Once we approve the materials, you are permitted to use them. However, we may withdraw our approval at any time and for any reason. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

We reserve the right, at any time, to issue you a notice that the amounts required to be spent by you under this Section shall, instead, be paid to us or our designee. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself in accordance with this Section.

D. LOCAL ADVERTISING COOPERATIVE.

Subject to the terms and conditions of this Section, you agree that we or our affiliates or designees may establish or direct the establishment of a local advertising cooperative ("**Local Advertising Cooperative**") in geographical areas (as determined by us) in which two or more Smashburger Restaurants are operating. The Local Advertising Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. If we have established a Local Advertising Cooperative for the geographic area in which your Restaurant is located, or if we establish a Local Advertising Cooperative in that area during the Term, you agree to sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as those documents require.

If we establish a Local Advertising Cooperative in your geographic area pursuant to this Section, you agree to pay us a weekly Local Advertising Cooperative contribution in the amount we establish for the particular Local Advertising Cooperative, which amount will not exceed three percent (3%) of the Gross Sales. Your Local Advertising Cooperative contribution is payable in the same manner as the Royalty. These contributions may be capped based on the provisions of the by-laws adopted by the Local Advertising Cooperative, subject to our approval. You will pay these monies to us electronically and we will remit them periodically to the Local Advertising Cooperative.

Each Smashburger Restaurant contributing to a Local Advertising Cooperative will have one vote on matters involving the activities of the particular Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We agree to assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. You acknowledge and agree that, subject to our approval and subject to availability of funds, the Local Advertising Cooperative will have sole discretion over the creative concepts, materials and endorsements used by it.

You agree to submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative requires.

You understand and acknowledge that your Restaurant might not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Smashburger Restaurants will be developed separately and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Local Advertising Cooperative.

E. SYSTEM WEBSITES & ONLINE PRESENCES.

We have established and may continue to establish and develop Online Presences to advertise, market, and promote Smashburger Restaurants, the products and services that they offer and sell, or the Smashburger Restaurant franchise opportunity (each a “**System Website**”). We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Restaurant on any System Website. If we provide you with a webpage or other presence on any System Website, then you must: (1) provide us the information and materials we request to develop, update, and modify the information about your Restaurant on the System Website; (2) notify us whenever any information on the System Website about your Restaurant is not accurate; and (3) pay our then current initial fee and monthly maintenance fee for the Online Presences on any System Website that are dedicated to your Restaurant.

We will maintain each System Website in our sole discretion, and may use the Marketing Fund’s assets to develop, maintain, and update the System Website. We periodically may update and modify any System Website (including references to your Restaurant). You acknowledge that we have final approval rights over all information on any System Website (including references to your Restaurant). We may implement and periodically modify System Standards relating to the System Website. Even if we provide you a webpage or other presence on our System Website, we will not be required to maintain it if you are not in full compliance with this Agreement and all System Standards (including those relating to the System Website).

If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove references to your Restaurant from any System Website until you fully cure the default. We will permanently remove all references to your Restaurant from each System Website upon this Agreement’s expiration or termination. All

advertising, marketing, and promotional materials that you develop for your Restaurant must contain notices of the System Website's domain name in the manner we designate.

Except as provided above, or as approved by us in writing or in the Standards of Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any System Website, or displays any of the Marks. You may also not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior written approval. If we approve the use of any such Online Presence in the operation of your Restaurant, then you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites and/or maintaining an online privacy policy. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

10. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You must use the Technology Systems to maintain certain sales data, customer information and other information. You agree that we will have access to your Technology Systems from time to time, including the right to access collect, and retain data concerning your Restaurant. At our request, you agree to sign a release with any vendor of your Technology Systems, providing us with such access to the Technology Systems as we may request from time to time. If such vendor is not willing to grant us independent access for any reason, then you agree to provide us access to your Technology Systems through your account.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Technology System to maintain certain sales data and other information. We may also require you to use a third party approved by us for accounting and bookkeeping services. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the 5th day of each accounting period specified by us from time to time (each an “**Accounting Period**”), a report on the Gross Sales of your Restaurant during the preceding Accounting Period;

(b) within 30 days after the end of each accounting month specified by us from time to time (each an “**Accounting Month**”), the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Restaurant covering the previous Accounting Month and the fiscal year to date, including, but not limited to, a profit and loss statement;

(c) within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Restaurant as of the end of that calendar year, prepared in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles. We reserve the right to require that you have these financial statements and the financial statements of any prior fiscal years audited by an independent accounting firm designated by us in writing;

(d) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Restaurant; and

(e) by January 15, April 15, July 15 and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which the Restaurant or any of the Restaurant's equipment is collateral. You must also deliver to us, within five days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our affiliates.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may access the Technology Systems at any time and retrieve all information relating to the operation of your Restaurant. You agree to preserve and maintain all records in a secure location at your Restaurant for at least three years, or such longer period as may be required by applicable law (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

Further, at our request, you will provide current financial information for your owners and guarantors sufficient to demonstrate such owners' and guarantors' ability to satisfy their financial obligations under their individual guarantees (Exhibit B).

11. **INSPECTIONS AND AUDITS.**

A. **OUR RIGHT TO INSPECT YOUR RESTAURANT.**

We and/or our designees may at all times and without prior notice to you: (1) inspect your Restaurant; (2) observe, photograph, and record (audio and/or video) your Restaurant and its operation for consecutive or intermittent periods we deem necessary; (3) continuously or periodically monitor your Restaurant using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) speak with your Restaurant's personnel and customers; (6) inspect your Technology Systems, including hardware, software, security, configurations, connectivity, and data access; and (7) inspect and copy any books, records, and documents relating to your Restaurant's operation. Additionally, we may contract with third parties to conduct mystery shopper, customer survey or other market research testing, and quality assurance inspections at your Restaurant. You consent to all photos and video and/or audio recordings and agree to cooperate with us fully during the course of these inspections and tests. You must also obtain all third-party consents required under applicable law to permit such photos and video and/or audio recordings in connection with your Restaurant. You agree to reimburse us for the cost of any quality assurance inspections and mystery shoppers that we engage to inspect your Restaurant from time to time.

If we determine after any inspection of your Restaurant that one or more failures of System Standards exist, or any circumstance exists that prevents us or our designees from properly inspecting any or all your Restaurant (including if you or your personnel refusing entry to the Premises), then

we may re-inspect your Restaurant one or more times thereafter in our discretion to evaluate whether such failures have been cured and/or conduct any other follow-up review that we deem is necessary, and you will reimburse all of our costs associated with such failed inspection and all subsequent re-inspections and follow-up visits, including vendor fees, travel expenses, room and board, and compensation of us and/or our designees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

B. OUR RIGHT TO AUDIT.

We and/or our designees may at any time during your business hours, and without prior notice to you, examine your Restaurant, bookkeeping, and accounting records for your Restaurant, and sales and income tax records and returns, and other records. You agree to cooperate fully with us, our representatives, and/or independent accountants in any examination. If any examination discloses an understatement of the Gross Sales, then you agree to pay us, within 15 days after receiving the examination report, the Royalty and Marketing Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Marketing Fund contribution understatement exceeding 2% of the amount that you actually reported to us for the period examined, then you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of us and/or our designees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER.

A. BY US.

We maintain a staff to manage and operate the System and you understand that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. BY YOU.

The rights and duties this Agreement creates are personal to you (or to your owners if you are an Entity), and we have granted you the terms of this Agreement in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred, mortgaged, pledged, or encumbered, directly or indirectly, without our prior written approval: (1) this Agreement (or any interest in this Agreement); (2) your Restaurant or substantially all of its assets, or any right to receive all or a portion of your Restaurant's profits or losses or capital appreciation; or (3) any direct or indirect ownership interest in you (regardless of its size). A transfer of your Restaurant ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement, is void, and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation,

issuance of additional securities, death, disability, divorce, insolvency, encumbrance, foreclosure, surrender or by operation of law, and/or any transfer, surrender, loss of the possession or control, or management of your Restaurant.

If you intend to list your Restaurant for sale with any broker or agent, then you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer or other disposition of your Restaurant or of any ownership interest in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Restaurant or of any ownership interest in you without our prior written approval.

C. CONDITIONS FOR APPROVAL OF TRANSFER.

You may not transfer this Agreement before the Smashburger Restaurant has opened for business. Thereafter, if you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section, we will approve a transfer that meets all of the following requirements before or concurrently with the effective date of the transfer:

(1) you submit an application in writing requesting our consent and providing us all information or documents we request about the proposed transfer, transferee and its owners and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an Entity) or their respective affiliates have an ownership interest in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms. If you or your owners offer the transferee financing for any part of the purchase price, you and your owners hereby agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Restaurant are subordinate to the transferee's obligation to pay Royalty, Marketing Fund contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement (or any applicable franchise agreement replacing this Agreement);

(3) you (and your owners) and the transferee (and its owners) sign our then-current consent to transfer agreement ("Consent to Transfer"), in a form satisfactory to us, including: (a) a general release of any and all claims (except claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and our and their respective owners, officers, directors, employees, and agents, (b) a covenant that you and your transferring owners (and your and their immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.C. below, (c) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement, and (d) covenants to upgrade, remodel, and refurbish your Restaurant in accordance with our specifications within 120 days after the effective date of the transfer, if we so require;

(4) all representations and warranties made in the Consent to Transfer by you, your owners, the transferee or the transferee's owners are true and correct as of the closing date of the transfer, and you (and your owners) and transferee (and its owners) otherwise comply with all terms applicable to the Consent to Transfer, including terms applicable to the associated transfer of any applicable multi-unit development agreement or other agreements between you and us;

(5) you have paid all Royalty, Marketing Fund and advertising cooperative contributions, and other amounts owed to us, our affiliates, and third party vendors and have submitted all required reports and statements;

(6) you and your owners have not violated any provision of this Agreement, the Lease, the Consent to Transfer or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(7) the transferee and its owners have not violated any provision of the Consent to Transfer, any franchise agreement it has signed to take over operation of the Restaurant, or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(8) all persons required to complete training under the transferee's franchise agreement satisfactorily complete our training program, and transferee has paid all costs and expenses we incur to provide the training program to such persons;

(9) if the proposed transfer (including any assignment of the Lease or subleasing of the Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, then you have taken such appropriate action and delivered us evidence of the same;

(10) you have cured all deficiencies at your Restaurant that we have identified in any of our pre-sale inspections, which will be identified in your Consent to Transfer;

(11) your Restaurant is being operated in all respects in compliance with our System Standards and all Operating Assets are in place and in good working order;

(12) the transferee, at our request, signs our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(13) you pay us a transfer fee in the amount of \$15,000; provided, that no transfer fee is due for the transfer from a deceased owner to such owner's surviving spouse, provided that such transfer is otherwise subject to the terms and conditions of this Section and you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees; and

(14) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effectuate the transfer as it relates to the operation of the

Restaurant, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Restaurant.

Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as the Managing Owner designated on Exhibit A continues to be the Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, then the trustee or administrator of the transferor's estate will have nine months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party that we approve in accordance with this Section.

D. TRANSFER TO A WHOLLY-OWNED ENTITY.

If you do not originally sign this Agreement as an Entity, then you may transfer this Agreement to an Entity; provided, that: (1) such Entity conducts no business other than your Restaurant and, if applicable, other Smashburger Restaurants, (2) you maintain management control of such Entity, (3) you own and control 100% of the economic interests, equity and voting power of all issued and outstanding ownership interests in such Entity, (4) all of the assets of your Restaurant are owned, and the business of your Restaurant is conducted only by that single Entity, and (5) you satisfy all conditions applicable to a transfer described in Section 12.C, except that we will not require payment of a transfer fee as described in Section 12.C(13) (provided, that you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees) and our right of first refusal under Section 12.E will not apply.

E. OUR RIGHT OF FIRST REFUSAL.

If you or any of your owners wish to conduct a transfer under Sections 12.B and C above, then you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to 5% or more of the offering price. The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.B and C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, then we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding:

(a) ownership and condition of and title to ownership interests or assets;

(b) liens and encumbrances relating to ownership interests or assets; and

(c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) (and your and their immediate family members) agree that, for two years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 15.C. below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section. If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.B and 12.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 12.B and 12.C above, you (or your owners) may not move forward with the transfer at all. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. **EXPIRATION OF THIS AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

When this Agreement expires, you may acquire a successor franchise to operate your Restaurant as a Smashburger Restaurant for one additional 15-year term if:

(1) you give us written notice of your election to acquire a successor franchise no more than 270 days and no less than 180 days before this Agreement expires;

(2) you (and each of your owners) have substantially complied with this Agreement during the Term; and

(3) (a) you maintain possession of and agree (regardless of cost) to remodel or expand your Restaurant, add or replace improvements and Operating Assets, and otherwise modify your Restaurant as we require to comply with System Standards then applicable for new Smashburger Restaurants, or (b) at your option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for Smashburger Restaurants;

(4) you pay a renewal fee in an amount equal to fifty percent (50%) of our then current initial franchise fee; and

(5) you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14.B;

(6) you and your owners sign the franchise agreement and all other ancillary documents and guaranties we then use to grant franchises for Smashburger Restaurants (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from those contained in this Agreement, including changes to your Royalty and Marketing Fund contribution; and

(7) you and your owners agree to sign, in a form satisfactory to us, a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and each of our/their respective shareholders, officers, directors, employees, agents, successors, and assigns.

If you and/or your owners fail to meet the conditions set forth in this Section, then you acknowledge that we are not required to offer you a renewal franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14.B.

B. ACQUIRING A RENEWAL FRANCHISE.

If we agree to grant you a renewal franchise after we receive your notice that you wish to renew your franchise upon the expiration of the Term, then our notice may describe certain remodeling, maintenance, expansion, improvements, technology upgrades, trade dress updates, and/or modifications required to bring your Restaurant into compliance with then-applicable System Standards for new Smashburger Restaurants, and state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies. If our notice states that you must remodel your Restaurant and/or must cure certain deficiencies of your Restaurant or its operation as a condition to our granting you a renewal franchise, and you fail to complete the remodeling and/or to cure those deficiencies, then we may give you written notice of our decision not to grant a renewal franchise upon expiration of the Term, or to revoke any approval of such a renewal franchise we may have awarded. If you fail to notify us of your election to acquire a renewal franchise within the prescribed time period, then we need not grant you a renewal franchise.

14. **TERMINATION OF AGREEMENT.**

A. **BY YOU.**

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, then you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section. will be deemed a termination without cause and a breach of this Agreement.

B. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the rights under this Agreement or operating your Restaurant;

(2) you do not sign a Lease for an acceptable site for the Premises within the time periods specified under Section 2.A;

(3) you do not open your Restaurant for business within the deadline set forth in Section 2.E;

(4) we determine any Mandatory Trainees are not capable or qualified to satisfactorily complete initial training;

(5) you (a) close your Restaurant for business or inform us of your intention to cease operation of your Restaurant, (b) fail to actively operate your Restaurant for three or more consecutive days, or (c) otherwise abandon or appear to have abandoned your rights under this Agreement;

(6) you (or any of your owners) are or have been convicted of or have pleaded no contest or guilty to a felony;

(7) you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(8) you (or any of your owners) violate any of the covenants made in Section 5 (Intellectual Property), Section 6 (Confidential Information) or Section 7 (Exclusive Relationship During Term) of this Agreement;

(9) you (or any of your owners) make or attempt to make an unauthorized transfer (defined in Section 12.B);

(10) you lose the right to occupy the Premises;

(11) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Restaurant and fail to correct such violation within 72 hours after you receive notice from us or any other party;

(12) you or any of your owners fail to pay us or our affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered;

(13) you or any of your owners fail to pay any third party (including any landlord, vendor, or lender) any amounts owed in connection with the ownership or operation of the Restaurant when due, and/or you or any of your owners breach any other material obligations owed to such third party, and do not correct such failure within any applicable cure periods;

(14) you fail to pay when due any federal or state income, service, sales, use, employment or other taxes due on or in connection with the operation of your Restaurant, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Gross Sales three times or more during the Term;

(16) you (or any of your owners) (a) fail on 3 or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on 2 or more separate occasions within any 6 consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(17) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Restaurant is not vacated within 30 days following the order's entry;

(18) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you;

(19) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(20) you create or allow to exist any condition in connection with your operation of the Restaurant, at any location, which we reasonably determine to present a health or safety concern for the Smashburger Restaurant's customers or employees;

(21) you fail to pass quality assurance audits, and do not cure such failure within 15 days after we deliver written notice of failure to you;

(22) you or any of your owners and/or your Mandatory Trainees have acted inappropriately or abusively towards us and/or our representative(s), other franchisees, vendors, customers of your Restaurant, and/or any other third party related to the operation of

your Restaurant (including governmental inspectors) on two or more occasions, whether in connection with your Restaurant under this Agreement or any other agreement with us or our affiliate;

(23) you or any of your owners fail to comply with any other provision of this Agreement or any System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you; provided, however, that if such failure is the direct result of a Casualty Event, and you are using good faith efforts to cure the failure, we will not exercise our rights under this Section unless you have failed to cure such default within 90 days following written notice thereof. As used in this paragraph, a “**Casualty Event**” is a fire, tornado, hurricane, flood, earthquake or similar natural disaster which is not within your control; or

(24) you or any of your owners and/or affiliates fail to comply with any other agreement with us or our affiliate and do not correct such failure within the applicable cure period, if any.

C. **INTERIM OPERATIONS.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and operate the Restaurant on an interim basis (or to appoint a third party to operate the Restaurant on an interim basis), if: (1) you abandon or fail to actively operate your Restaurant for more than three consecutive days; or (2) this Agreement expires or is terminated, and we are deciding whether to exercise our option to purchase your Restaurant under Section 15.D. below.

If we elect to operate your Restaurant on any interim basis, then you must cooperate with us (or the third party), to support the operations of the Restaurant, and comply with all of our instructions and System Standards, including making available any and all books, records, and accounts. You understand and acknowledge that during any such interim period, you are still the owner of the Restaurant and you continue to bear sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under the Lease and all obligations to your vendors and employees and contractors, unless and until we expressly assume them in connection with the purchase of the Restaurant under Section 15.D. You understand that we are not required to use your vendors or accounts to operate the Restaurant. Additionally, you understand that we will not use your employees for an such interim operations, and that we have no liability for your employees of any kind, and/or any right (direct or indirect) to control the terms of employment of your staff. We may elect to cease such interim operations of the Restaurant at any time with notice to you.

You agree to pay us (in addition to the Royalty, Marketing Fund contributions, and other amounts due under this Agreement) an amount equal to ten percent (10%) of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period in which we or or our designee's operate the Restaurant on an interim basis. All funds from the Restaurant's operation while we or our designee operate it will be accounted for separately, and all expenses will be deducted from that amount. If we (or a third party) operate the Restaurant on an interim basis, you acknowledge that we (or the third party) 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 Restaurant incurs, or to any of your creditors for any supplies, products, or other assets or services your Restaurant purchases, while we (or the third party) operate your Restaurant on an interim basis.

If we exercise our rights this Section, that will not affect our right to terminate this Agreement under Section 14.B. above. Your indemnification obligations set forth under Section 16.D. will continue to apply during any period that we or our designee operate the Restaurant on an interim basis.

15. **OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

A. **PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us the Royalty, Marketing Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid within 15 days after this Agreement expires or is terminated.

B. **DE-IDENTIFICATION.**

Upon termination or expiration of this Agreement you and your owners must immediately:

(1) close the Restaurant for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the Restaurant and/or using the Marks, unless we direct you otherwise in connection with our exercise of our option to purchase pursuant to Section 15.D;

(2) cease to directly or indirectly use any Mark, any colorable imitation of a Mark, other indicia of a Smashburger Restaurant, or any trade name, trademark, service mark, or other commercial symbol that indicates or suggests a connection or association with us, in any manner or for any purpose (except in connection with other Restaurants you operate in compliance with the terms of a valid Franchise Agreement with us);

(3) cease to directly or indirectly identify yourself or your business as a current or former Restaurant or as one of our current or former franchise owners (except in connection with other Restaurants you operate in compliance with the terms of a valid Franchise Agreement with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(4) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to a Restaurant;

(5) if we do not exercise our option to purchase your Restaurant under Section 15.D below, then promptly and at your own expense, make the alterations we specify in the Standards of Operations Manual (or otherwise) to distinguish your Restaurant clearly from its former appearance and from other Smashburger Restaurants, including by removing all materials bearing our Marks and removing from both the interior and exterior of the Premises all materials and components of our trade dress as we determine to be necessary in order to prevent public confusion and in order to comply with the non-competition provisions set forth in Section 15.C;

(6) cease using and, at our direction, either disable or transfer, assign or otherwise convey to us full control of all Contact Identifiers and Online Presences that you

used to operate your Restaurant or that displays any of the Marks or any reference to the franchise system (provided that all liabilities and obligations arising from any such Contact Identifiers or Online Presence prior to the date of the transfer, assignment or conveyance to us will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 16.D);

(7) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to Smashburger Restaurant, including copies of any and all Confidential Information (including the Standards of Operations Manual and any and all customer data or other information from your Technology Systems), as we designate;

(8) comply with all other System Standards we establish from time to time (and all applicable laws) in connection with the closure and de-identification of your Restaurant, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees; and

(9) within 30 days after the expiration or termination of this Agreement, give us evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions or refrain from taking any of the actions described above, then we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Restaurant. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

C. COVENANT NOT TO COMPETE.

For 2 years beginning on the effective date of termination or expiration of this Agreement, you (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause each of your and their current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to, have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (1) at the Premises or within a 5-mile radius of the Premises, or (2) within a 5-mile radius of any other Smashburger Restaurant operated by us, our affiliates, or any franchisee of us or our affiliates.

If any person restricted by this Section fails to comply with these obligations as of the date of termination or expiration, then the 2-year restricted period for that person will commence on the date the person begins to comply with this Section, which may be the date a court order is entered enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living. The restrictions in this Section will also apply after any transfer, to the transferor and its owners, for a period of 2 years beginning on the effective date of the transfer, with the force and effect as though this Agreement had been terminated for such parties as of such date.

D. OUR RIGHT TO PURCHASE YOUR RESTAURANT.

We have the option to purchase any or all of the assets of your Restaurant, including your Premises (if you or one of your owners or affiliates owns the Premises) upon the occurrence of a termination or expiration of this Agreement. We have the unrestricted right to assign this option to purchase. We may exercise this option by giving you written notice within 30 days after the date of such termination or expiration. The purchase price for your Restaurant will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Restaurant as a going concern). If you dispute our calculation of the purchase price, then the purchase price will be determined by one independent accredited appraiser designated by us who will calculate the purchase price applying the criteria specified above. We agree to select the appraiser within 15 days after we receive the financial and other information necessary to calculate the purchase price (if you, and we have not agreed on the purchase price before then). You and we will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within 30 days after its appointment. The purchase price will be the appraiser's determination of the value, applying the appropriate mechanism as described above. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates.

Closing of the purchase will take place, as described below, on a date we select which is within 90 days after determination of the purchase price in accordance with this Section, although we or our designee may decide after the purchase price is determined not to purchase your Restaurant and/or the Premises. At the closing, you agree to deliver to us or our designee: (1) an asset purchase agreement and related agreements in the form we dictate, which provide all customary warranties and representations, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; (2) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all taxes paid by you, including sales, goods and services, harmonized sales, use, value added, retailer's excise, or similar taxes; (3) any and all of your Restaurant's licenses and permits which may be assigned or transferred; (4) the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable; and (5) an agreement, in form and substance satisfactory to us, voluntarily terminating this Agreement, under which you agree to comply with all post-term obligations under this Agreement, and that you and your owners agree to a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us, our affiliates and each of our and their respective owners, officers, managers, employees, agents, successors and assigns. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, then we and you will close the sale through an escrow.

E. LOST REVENUE DAMAGES.

If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, then you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties, and that the Marketing Fund and Local Advertising Cooperatives would have otherwise derived from your continued contributions to those funds, through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties, contributions to

the Marketing Fund, and contributions to the Local Advertising Cooperative that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (1) five years following the date of termination, or (2) the scheduled expiration of the Term. For the purposes of this Section, Royalties, contributions to the Marketing Fund, and contributions to the Local Advertising Cooperative will be calculated based on the average monthly Gross Sales of your Restaurant during the 12 full calendar months immediately preceding the the last date of regular operations of your Restaurant; provided, that if as of such date, your Restaurant has not been operating for at least 12 months, Royalties, contributions to the Marketing Fund, and contributions to the Local Advertising Cooperative will be calculated based on the average monthly Gross Sales of all Smashburger Restaurants operating under the Marks during the our fiscal year immediately preceding the termination date.

You agree to pay us Lost Revenue Damages within 15 days after this Agreement is terminated. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

F. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, information security, Innovations, and indemnification.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

This Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors. Nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your Restaurant under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time. You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under this Agreement, and not our affiliates, designees, officers, directors, employees, or other representatives or agents.

B. NO LIABILITY TO OR FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Restaurant or the business you conduct under this Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors.

C. **TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

D. **INDEMNIFICATION.**

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all claims directly or indirectly arising out of: (1) the operation of your Restaurant, (2) the business you conduct under this Agreement, (3) your breach of this Agreement, and/or (4) instituted by your employees and/or by others that arise from your employment practices, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator.

For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section. We may periodically demand that you advance funds to us to pay for any claims that we determine are indemnifiable under this Section, and you will advance such funds promptly upon our demand; provided, however, that if (and only to the limited extent that) any such claim is ultimately determined not to be indemnifiable under this Section in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator, we will reimburse any portion of such funds that are attributable to such non-indemnifiable claims.

17. **ENFORCEMENT.**

A. **SECURITY INTEREST.**

As security for the performance of your obligations under this Agreement, including payments owed to us for purchase by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Restaurant, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Restaurant and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect

and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. This Agreement shall be deemed to be a Security Agreement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

B. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, arbitrator, agency, or other tribunal with competent jurisdiction, then that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, then you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, then the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

C. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of: (1) any custom or practice at variance with this Agreement's terms; (2) our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; (3) our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Smashburger Restaurants; (4) the existence of franchise agreements for other Smashburger Restaurants which contain provisions different from those contained in this Agreement; or (5) our acceptance of any

payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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 (1) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (2) 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.

D. COSTS AND ATTORNEYS' FEES.

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

E. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.

You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

F. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

G. ARBITRATION.

We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as

applicable, our successor's or assign's then-current principal place of business (currently, Denver, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his, her, or their awards any relief which he, she, or they deem proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (1) CONDUCTED ON A CLASS-WIDE BASIS, (2) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (3) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (4) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no

interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

H. **GOVERNING LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the franchise for your Restaurant, and all claims arising from the relationship between us or any of our affiliates, and you and your owners and affiliates, will be governed by the laws of the State of Colorado, without regard to such state's conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Restaurant is located.

I. **CONSENT TO JURISDICTION.**

Subject to the obligation to arbitrate under Section 17.G above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a court nearest to our or, as applicable, our successor's or assign's then-current principal place of business (currently Denver, Colorado), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

J. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

Except for your obligation to indemnify us for third party claims under Section 16.D, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any proceeding brought by either of us.

K. **INJUNCTIVE RELIEF.**

Nothing in this Agreement, including the provisions of Section 17.G, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that

we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

L. BINDING EFFECT.

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Standards of Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

M. LIMITATIONS OF CLAIMS.

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN 1 YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (1) CONDUCTED ON A CLASS-WIDE BASIS, (2) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (3) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (4) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

N. AGREEMENT EFFECTIVENESS.

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly authorized representative of ours. Notwithstanding that this Agreement shall not be effective until signed by us, we reserve the right to make the effective date of this Agreement the date on which you signed the Agreement.

O. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Restaurant (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnish to you. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Section 16.D., nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to: (1) “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal; (2) “affiliate” of any person means any other person that is directly or indirectly owned or controlled by, under common control with, or owning or controlling such person; (3) “control” of any person means the ownership interest of greater than 50% of the outstanding ownership interests of any entity, and/or the power to direct or cause the direction of management and policies; (4) “ownership interest” means any direct or indirect title, ownership and/or beneficial interest in the equity, voting rights, or economic interest in any Entity; (5) “owner” means any person that holds any ownership interest in an Entity; (6) “person” means any natural person, Entity, unincorporated association, cooperative, or other legal or functional organization or entity; (7) unless otherwise specified, “days” means calendar days and not business days; and (8) “your Restaurant” includes all of the assets of the Smashburger Restaurant you operate under this Agreement, including its revenue and the Lease. The use of the term “including” in this Agreement, means in each case “including, without limitation.”

If 2 or more persons are at any time the owners of your Restaurant, whether as partners or joint venturers, then their obligations and liabilities to us will be joint and several.

P. LAWFUL ATTORNEY.

Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement for any reason, then you hereby irrevocably appoint us as your lawful attorney with full power and authority: (1) to execute and deliver in your name any such documents and assurances, and (2) to do all other acts and things, all in such discretion as we may desire. You hereby agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and save us harmless from all claims, liabilities, losses, or damages suffered in so doing. You also hereby appoint us as your attorney-in-fact to receive and inspect your sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the Term.

18. **NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Standards of Operations Manual will be deemed to be delivered by the earlier of the time actually delivered, or as follows: (1) at the time delivered via electronic transmission and, in the case of the Royalty, Marketing Fund contributions, and other amounts due, at the time we actually receive electronic payment, (2) 1 business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery, or (3) 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice must be sent to the party at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Premises. Any notice that we send to you by electronic means will be deemed delivered if it is delivered to the email address of the Managing Owner listed on Exhibit A or any other email address your Managing Owner has notified us of, and/or any branded email address we issue to your Managing Owner that is associated with a System Website.

19. **COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be signed by electronic means.

20. **PROHIBITED PARTIES.**

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224; and/or
2. a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You (and if you are conducting business as an Entity, each of your owners) agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By:_____

Name:_____

Title:_____

EFFECTIVE DATE:_____

FRANCHISE OWNER:

[Name]

By:_____

Name:_____

Title:_____

Date: _____

EXHIBIT A
TO FRANCHISE AGREEMENT

ENTITY INFORMATION

1. **Form.** You operate as a(n): ____ individual/sole proprietorship, ____ corporation, ____ limited liability company, or ____ partnership (CHECK ONE).

2. **Formation:** You were formed on ____ (DATE), under the laws of the State of ____ (JURISDICTION).

3. **Management:** The following is a list of your directors, officers, managers or anyone else with a management position or title:

<u>Name of Individual</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____

4. **Owners.** The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary):

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
_____	_____
_____	_____
_____	_____

5. **Managing Owner:**

Name: _____

Email: _____

6. **Restaurant Premises:** _____

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Agreement**”) on this date by **SMASHBURGER FRANCHISING LLC** (“**us,**” “**we,**” or “**our**”), each Guarantor personally and unconditionally: (1) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ (“**Franchise Owner**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims, or any amendment, waiver or restatement to any terms of the Agreement, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Franchise Owner under the Agreement.

Each Guarantor waives: (1) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchise Owner arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (2) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he, she, or they may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, then such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 17 (Enforcement) of the Agreement, including Section 17.G (Arbitration), Section 17.I (Consent to Jurisdiction) and Section 17.D (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this

Guaranty and any disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his, her, or their capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his, her, or their spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchise Owner (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[Signature page to follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his, her, or their signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

MULTI-UNIT DEVELOPER (IF DIFFERENT THAN FRANCHISEE)
Name: _____ Sign: _____

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____

EXHIBIT E

AGREEMENT AND CONSENT TO TRANSFER

AGREEMENT AND CONSENT TO TRANSFER

THIS AGREEMENT AND CONSENT TO TRANSFER (this “*Consent Agreement*”) is made as of the Effective Date (defined below) among **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company whose address is 3900 East Mexico Avenue, Suite 1300, Denver, Colorado 80210 (“*we*”), the individuals and legal entities identified as the “*Franchisee Parties*” on Exhibit A attached hereto, and the individuals and legal entities identified as the “*Buyer Parties*” on Exhibit A. The “*Effective Date*” is the date on which we sign this Consent Agreement.

RECITALS

A. We and the various Franchisee Parties are parties to those certain agreements identified on Exhibit A attached hereto (collectively, the “*Agreements*”), which, as described therein, govern our and the various Franchisee Parties’ respective rights and obligations with respect to the development, ownership and operation by the Franchisee Parties identified in each Agreement of the Smashburger®-branded Restaurants also identified in the Agreements (collectively, the “*Restaurants*”).

B. The Franchisee Parties have notified us that they wish to, directly or indirectly, transfer their rights under the Agreements and to the Restaurants, including a transfer of substantially all the assets of the Restaurants and a transfer of the leases to the premises of the Restaurants, pursuant to the terms of that certain Asset Purchase Agreement identified on Exhibit A (together with and all exhibits, schedules and ancillary documents related thereto, the “*Purchase Agreement*”), to certain of the Buyer Parties, as further described on Exhibit A and in the Purchase Agreement (collectively, as the “*Transfer*”).

C. Under the Agreements, the Transfer requires our prior written approval and is subject to our right of first refusal. The Franchisee Parties and the Buyer Parties have requested that we consent to the Transfer and waive our right of first refusal. In reliance on the information provided to us by the Franchisee Parties and Buyer Parties and on the representations, warranties and covenants made and undertaken by the Franchisee Parties and Buyer Parties in this Consent Agreement, we are willing to grant our consent to the Transfer and waive our right of first refusal on the terms and conditions contained in this Consent Agreement.

AGREEMENT

IN CONSIDERATION of the foregoing Recitals (which are incorporated herein), the covenants contained herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Consent to Transfer; Waiver of Right of First Refusal.** Subject to the terms and conditions set forth in this Agreement, we hereby consent to the Transfer (the “*Consent*”) and waive our right of first refusal in respect of the Transfer (the “*Waiver*”). The Franchisee Parties and the Buyer Parties agree that the Transfer may and will take place only as described in the Purchase Agreement and as described in this Consent Agreement; provided, that notwithstanding any terms in the Purchase Agreement, the consummation of the Transfer (the “*Closing*”) will in no event occur later than [] days from the Effective Date of this Consent Agreement (the “*Transfer Deadline*”). Any substantive change or amendment to, or waiver of, any provision of the Purchase Agreement prior to the Closing will automatically nullify our Consent and Waiver, and any transfer occurring thereafter, or any transfer occurring after the Transfer Deadline, will require our separate prior written consent and waiver as provided in the Agreements. Our Consent and Waiver are limited strictly to the Transfer and shall not be construed as our consent to, or the waiver of our rights in respect of, any further or subsequent transfers, each of which will require our separate prior written consent and waiver as provided in the Agreements.

2. **Representations and Warranties.** The Franchisee Parties and the Buyer Parties each hereby, jointly and severally, represent and warrant to us that: (i) each Buyer Party that is a legal entity is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization, (ii) the ownership of each Buyer Party is as described on Exhibit A, (iii) each Buyer Party that, subsequent to the Transfer, will own and operate a Restaurant has all requisite power and authority to do so and to carry out and perform its obligations under the applicable Buyer Agreements (as defined in Section 3 below), and (iv) they have provided us with a final executed and effective copy of the Purchase Agreement, which has not been and will not be subsequently amended in any substantive way without our prior written consent.

3. **Concurrent Conditions to Consent and Waiver.** Our Consent and Waiver are expressly contingent on the Buyer Parties executing and delivering to us new agreements and all documents ancillary thereto to replace the Agreements (including personal guarantees we require, as applicable) on our then-current forms (the “***Buyer Agreements***”), concurrently with or prior to the Effective Date of this Consent Agreement. Notwithstanding the foregoing, the Buyer Parties will not be required to pay new initial fees in connection with their execution of the Buyer Agreements; provided the Franchisee Parties pay the transfer fees required under the Agreements to be paid in connection with the Transfer, concurrently with or prior to the execution of the Buyer Agreements, but no later than the Effective Date. If any Buyer Parties are executing a multi-unit development agreement to take over obligations of any Franchisee Parties to develop future Smashburger restaurants, we agree to apply the same portion of the development fees paid to us by the Franchisee Parties for such development rights to the initial fees payable by the Buyer Parties’ under the applicable Buyer Agreements, pursuant to the terms of the replacement multi-unit development agreement (on the terms specified in the Agreements).

4. **Closing Conditions to Consent and Waiver.** In addition to the conditions specified in Section 3 above, which must be met on or before the Effective Date, all of the following terms and conditions (or our express written waiver of the same) must be met on or prior to the date of the Closing (the “***Closing Date***”):

a. All of the representations and warranties made in this Consent Agreement by the Franchisee Parties and the Buyer Parties shall be true and correct as of the Closing Date;

b. The Buyer Parties must have provided us all information or documents we request to evaluate the Buyer Parties’ ability to satisfy their respective obligations under the Buyer Agreements, and each Buyer Party must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

c. The Franchisee Parties must have provided us executed versions of any documents executed by the Franchisee Parties and the Buyer Parties to effect the Transfer, and all other information we request about the Transfer, and the Transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price amount of debt and payment terms. If the Franchisee Parties offer the Buyer Parties financing for any part of the purchase price, the Franchisee Parties hereby agree that all of the Buyer Parties’ obligations under promissory notes, agreements, or security interests are subordinate to the Buyer Parties’ obligation to pay Royalty, Marketing Fund contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with the Buyer Agreements.

d. The Franchisee Parties must have paid all Royalty, Marketing Fund and other advertising contributions, and all other amounts owed, as of the Closing Date, to us or our affiliates

under the Agreements and to third party vendors offering products or services to the Restaurants, and must have submitted all required reports and statements related thereto;

e. The Franchisee Parties must not have violated any provision of the Agreements, this Consent Agreement, the leases for any of the Restaurant's premises, or any other agreement with us or our affiliates at any time during the period beginning 60 days prior to the request for our Consent and Waiver and ending on the Closing Date;

f. The Buyer Parties must not have violated any provision of this Consent Agreement or, as of the execution of the Buyer Agreements, any provision of the Buyer Agreements, including any applicable the restrictions regarding Competitive Businesses, at any time during the period beginning 60 days prior to the request for our Consent and Waiver and ending on the Closing Date;

g. All persons required under the Buyer Agreements to satisfactorily complete our training program shall have done so, or the Buyer Parties must have arranged with the Franchisee Parties or another third party agent we approve to provide management services to the Restaurants following the Closing Date until all such required persons have completed, to our satisfaction, our training program, and the Buyer Parties must have paid all the costs and expenses we incurred to provide the training program to their required representatives;

h. The Franchisee Parties and the Buyer Parties must have provided us with all evidence we reasonably request to show that appropriate measures have been taken to effect the Transfer as it relates to the operation of the Restaurants, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements to the appropriate Buyer Parties, or obtaining new business licenses, insurance policies and material agreements;

i. If the Transfer (including any assignment of the leases or subleasing of the Premises) requires notice to or approval from the landlord of the Premises, or any other action under the terms of the Lease, Franchisee Parties have taken such appropriate action and delivered us evidence of the same;

j. The items reflected on the pre-sale inspection, which is attached hereto as Exhibit C must have been completed, acquired and/or resolved as of the Closing Date;

k. Exterior signs that we approved must be in place and in good working condition at each of the Restaurant's premises as of the Closing Date; and

l. Each Restaurant must be in compliance with all IT system standards as of the Closing Date.

5. **Condition and Appearance of the Restaurants' Premises.** The Buyer Parties acknowledge and agree that the condition and appearance of each Restaurant, its Operating Assets (as defined in the Buyer Agreements) and the premises of each Restaurant must at all times be in accordance with the System Standards (as defined in the Buyer Agreements) and, consistent with the image of Smashburger restaurants, as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. Therefore, within 120 days following the Closing Date, the Buyer Parties agree, at their expense, to take, without limitation, those actions that we determine, in our reasonable discretion, should be undertaken in order for the condition and appearance of each Restaurant, its Operating Assets and the premises of the Restaurants to be operated in accordance with the System Standards.

6. **Transfer Assistance.** The Buyer Parties acknowledge and agree that we may, in our discretion, send a lead trainer to the Restaurants to assist with the Transfer, and if we deem it necessary, send a training team to assist the lead trainer with the Transfer (and, in that event, we will determine the identity and composition of that training team). The Buyer Parties further acknowledge and agree that they will be responsible for reimbursing us for the costs and expenses we and our personnel incur in providing support for the Transfer, including the costs of travel, lodging, meals and a per diem to cover the trainers' salary. Our trainer(s) will determine the amount of support necessary to support the Buyer Parties' staff in connection with the Transfer.

7. **Financing.** The Buyer Parties have provided us with copies of all loan documents or loan commitments evidencing all debt taken on by each Buyer Party in connection with the purchase of the Restaurants. The Buyer Parties acknowledge that we require that the Buyer Parties at all times maintain sufficient working capital reserves as necessary and appropriate to comply with their obligations under the Buyer Agreements. Regardless of any provision in the Purchase Agreement (or any other agreement), if any Buyer Party finances any part of the purchase price for the Transfer, the Buyer Parties agree that all of their obligations under such financing documents are subordinate to their obligations to us under the Buyer Agreements.

8. **Assignment/Assumption of Premise Leases.** Provided the Buyer Parties take an assignment of the lease for each Restaurant and the terms of such lease are not amended, we waive the requirement for lease review and approval (and the associated lease review fee) set forth in the applicable Buyer Agreement. If the lease terms are amended or a Buyer Party enters into a new lease for any Restaurant, all lease review and approval requirements (including payment of the lease review fee) set forth in the applicable Buyer Agreement shall remain applicable. The Buyer Parties acknowledge and agree that our approval of any Restaurant location and waiver of the lease review requirement or approval of the lease terms do not constitute our recommendation, endorsement, or guarantee of the suitability of such Restaurant location or the lease, and the Buyer Parties acknowledges that they have taken all steps necessary to ascertain whether such Restaurant location and lease are acceptable to them.

9. **Grand Opening.** We hereby waive the grand opening expenditure requirements set forth in Section 9.A of the applicable Buyer Agreements.

10. **Termination of Agreements.** Subject to the satisfaction of the conditions specified in Section 3 and 4, and the successful closing of the Transfer and other transactions contemplated by the Purchase Agreement, we and the Franchisee Parties acknowledge and agree that, as of the Closing Date, the Agreements are automatically terminated, and the Franchisee Parties shall have no further rights or obligations under such Agreements; provided, however, that notwithstanding the foregoing, the Franchisee Parties shall not be released from the following obligations (the “***Surviving Obligations***”):

a. any obligations to pay money to us or our affiliates owed under the Agreements arising or accrued prior to the Closing Date;

b. the provisions of the Agreements that, either expressly or by their nature, are intended to survive termination or to apply upon termination or expiration (including without limitation the post-termination restrictive covenants, indemnification, dispute resolution and notice, and confidentiality provisions); or

c. the specific post-termination duties and obligations of the Franchisee Parties under the Agreements, as applicable (including without limitation the obligations to cease conducting business under such agreements, and cease using any proprietary trademarks), which the Seller Parties shall comply with at their own expense.

Notwithstanding the termination of the Agreements, all personal guarantees executed by the Franchisee Parties shall remain in full force and effect and shall serve as a guaranty of the Surviving Obligations, before and after the Closing Date, until such time as the Surviving Obligations have been satisfied in full.

The Franchisee Parties agree that all amounts paid by them to us under or in connection with the Agreements remain our property and that we are not required to refund or repay any such amounts.

11. **Release of Claims Against Us.** The Franchisee Parties and the Buyer Parties, and each of them, on behalf of themselves and each such foregoing person's or entity's respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (the "***Releasing Parties***"), hereby fully and forever unconditionally release and discharge us, our affiliates, and our and each such foregoing entity's current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (the "***Released Parties***"), of and from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, whether at law or in equity, and known or unknown to them, which they may have against the Released Parties as of the Effective Date, or which any Releasing Parties had, has, or may have had, in any way arising out of or relating to, any relations or transactions with any of the Released Parties through and including the Effective Date, however characterized or described, including but not limited to, any and all claims arising from the Agreements, the Buyer Agreements, the Purchase Agreement, the Transfer, the other transactions, agreements and documents described herein and/or any other relationship or transaction with any of the Released Parties.

THE FOLLOWING SHALL APPLY WITH RESPECT TO CLAIMS RELATED TO THOSE RESTAURANTS, OR IF THE PRINCIPAL ADDRESS OF ANY RELEASING PARTY IS IN CALIFORNIA, THE FOLLOWING SHALL APPLY WITH RESPECT TO SUCH RELEASING PARTY:

SECTION 1542 ACKNOWLEDGMENT. IT IS RELEASING PARTIES' INTENTION, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY THE RELEASING PARTIES. THE RELEASING PARTIES RECOGNIZE THAT THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE RELEASED PARTIES OF WHICH THEY, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH THEY, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS THE RELEASING PARTIES' INTENTION, ON THEIR OWN BEHALF AND ON BEHALF OF THE OTHER RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE THEM, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, RELEASING PARTIES ON THEIR OWN BEHALF AND ON BEHALF OF THE OTHER RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

THE RELEASING PARTIES ACKNOWLEDGE AND REPRESENT THAT THEY HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT THEY UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 et seq, governs the parties' franchise relationship, the following shall apply: Any general release provided for hereunder shall not apply to any liability under the Minnesota Franchise Act.

If the franchise you operate under the Franchise Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply: Any general release provided for hereunder shall not apply to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

12. **Non-Disparagement.** In consideration of the accommodations we provide under this Consent Agreement, the Franchisee Parties and Buyer Parties agree not to, and to use their best efforts to cause their current and former shareholders, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, malign, defame, disparage or otherwise speak or write negatively, directly or indirectly, of us or the other Released Parties, the Smashburger® brand or franchise program, or any of our or our affiliates' other service-marked or trademarked concepts.

13. **Acknowledgment.** The Franchisee Parties and the Buyer Parties acknowledge that although we or our affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in the Transfer, the Franchisee Parties and the Buyer Parties have assumed sole and full responsibility for making the final decision to complete the Transfer and/or execute this Consent Agreement, and each has consulted or has had the opportunity to consult with its own legal and financial advisors.

14. **Additional Documents.** The Franchisee Parties and Buyer Parties agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement and the other agreements and documents specified herein or therein, or as we may reasonably request in connection with the Transfer or this Consent Agreement.

15. **Resolution of Disputes.** [If the Agreements already provide for arbitration, include the following:] This Consent Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of Colorado, and any disputes arising hereunder shall be subject to all sections of Article 17 (Enforcement) of the Franchise Agreements (as defined on Exhibit A), including the obligation to submit disputes to arbitration, which provisions are adopted herein, in their entirety, as though they were copied herein in their entirety, and the Buyer Parties acknowledge that they have received copies of such Franchise Agreements and agree to be bound to the dispute resolution provisions contained therein as they apply to this Consent Agreement. [If the Agreements do not already provide for arbitration, include the following:] This Consent Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of Colorado, and any disputes arising hereunder shall be submitted to arbitration and resolved pursuant to Exhibit B attached hereto. Subject to the obligation to arbitrate under Exhibit B and the provisions below, each party hereto agrees that all actions arising under this Consent Agreement must be commenced in the court nearest to our or, as applicable, our successor's or assign's then-current principal

place of business (currently Denver, Colorado), and each party hereto irrevocably submits to the jurisdiction of that court and waives any objection that any such party might have to either the jurisdiction of or venue in that court. The parties hereby irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity.

16. **Miscellaneous Provisions.** This Consent Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Consent Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Consent Agreement may be executed in any number of counterparts and delivered electronically, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. In the event of any conflict between the terms of this Consent Agreement and the terms of the various franchise agreements or multi-unit development agreements described hereunder, the terms of this Consent Agreement shall govern, control and supersede any inconsistent or conflicting term.

[Remainder of page intentionally left blank; signature pages follow]

[signature page to Consent to Transfer]

THUS signed by the parties shown below and made effective as of the Effective Date.

FRANCHISOR:

SMASHBURGER FRANCHISINC, LLC

Sign: _____

Name: _____

Title: _____

EFFECTIVE DATE: _____

THE FRANCHISEE PARTIES:

[_____]

Sign: _____

Name: _____

Title: _____

Date: _____

[add additional signature blocks as necessary]

THE BUYER PARTIES:

[_____]

Sign: _____

Name: _____

Title: _____

Date: _____

[add additional signature blocks as necessary]

Exhibit A

Description of the Franchisee Parties [complete as applicable]

- a. [DEVELOPER NAME], a(n) [state of formation/type of entity] whose address is [address], and each of the following owners of the foregoing entity, each of whom signed a Guaranty and Assumption of Obligations of the obligations of the foregoing entity, and personally guaranteed the performance of the foregoing entity under one or more of the Agreements:
 - i. [NAME]
 - ii. [NAME]
- b. [FRANCHISEE NAME], a(n) [state of formation/type of entity] whose address is [address], and each of the following owners of foregoing entity, each of whom signed a Guaranty and Assumption of Obligations of the obligations of the foregoing entity, and personally guaranteed the performance of the foregoing entity under one or more of the Agreements:
 - i. [NAME]
 - ii. [NAME]
- c. [Add additional entities as necessary]

Description of the Buyer Parties [complete as applicable]

Description of the Agreements and Restaurants [complete as applicable]

1. Multi-Unit Development Agreement, as amended, between us and [Name], effective [date]; and
2. The following “*Franchise Agreements*”:
 - a. Franchise Agreement, as amended, between us and [Name], effective [date], governing the ownership and operation of a Smashburger Restaurant located at [address], bearing Store No. [##].
 - b. Franchise Agreement, as amended, between us and [Name], effective [date], governing the ownership and operation of a Smashburger Restaurant located at [address], bearing Store No. [##].
 - c. [add additional references as applicable]

Description of the Purchase Agreement [complete as applicable]

Exhibit B

ARBITRATION PROVISIONS

We, the Franchisee Parties, and the Buyer Parties agree that all controversies, disputes, or claims between us, our affiliates, and our and their respective owners, officers, directors, agents, and/or employees (collectively, the “**Franchisor Parties**”), on the one hand, and the Franchisee Parties and Buyer Parties and/or, in each instance, the owners, officers, directors, agents, and/or employees of such parties, on the other hand (collectively, for the purposes of this Exhibit B, the “**Franchisee Parties**”) arising out of or related to: (1) this Consent Agreement or any other agreement between any Franchisor Parties and Franchisee Parties (collectively, the “**Franchise Documents**”); (2) the relationship between the Franchisor Parties and Franchisee Parties; or (3) the scope or validity of any Franchise Documents or any other agreement between the Franchisor Parties and Franchisee Parties or any provision of any of such Franchise Documents and agreements (including the validity and scope of the arbitration provision under this Exhibit, which Franchisor Parties and Franchisee Parties acknowledge is to be determined by an arbitrator, not a court), must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Exhibit otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor’s or assign’s then-current principal place of business (currently, Denver, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor Parties and Franchisee Parties hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys’ fees, incurred in connection therewith.

Franchisor Parties and Franchisee Parties agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Franchisor Parties and Franchisee Parties further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisor Parties or Franchisee Parties.

ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS CONSENT AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS CONSENT AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

Franchisor Parties and Franchisee Parties agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between Franchisor Parties and Franchisee Parties may not be: (i)

Ex. B - 1

conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on any Franchisee Parties' behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Exhibit, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

Franchisor Parties and Franchisee Parties agree that, in any arbitration arising as described in this Exhibit, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." Franchisor Parties and Franchisee Parties further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Exhibit are intended to benefit and bind certain third party non-signatories. The provisions of this Exhibit will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Franchise Documents.

Any provisions of the Franchise Documents that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Exhibit.

Exhibit C

INSPECTION REPORT

Remodel and Equipment, Smallwares and Uniform Needs:

Restaurant # [REDACTED]

Equipment

-

Smallwares/Uniforms Needs

-

Restaurant # [REDACTED]

Equipment

-

Smallwares/Uniforms Needs

-

EXHIBIT F
LIST OF FRANCHISEES

LIST OF FRANCHISEES AS OF 12/28/2025

	Name of Franchisee	Address	City	State	Zip	Phone Number
1.	Alaska SB *	317 E 104th Ave	Anchorage	AK	99515	(907) 337-6274
2.	Alaska SB *	1451 W. Parks Highway	Wasilla	AK	99654	(907)357-6274
3.	Southern Arizona Restaurant Company LLC (SARC)◇	7625 N Oracle Rd	Oro Valley	AZ	85704	(520) 742-3332
4.	Southern Arizona Restaurant Company LLC (SARC)◇	3837 E. Broadway Blvd	Tucson	AZ	85716	(520) 325-9553
5.	Baximus Onsite North Island	Building 2017	Coronado	CA	92135	(623) 303-6404
6.	Rincon San Luiseno Band of Mission Indians	777 Harrah's Rincon Way	Funner	CA	92082	(760) 651-3544
7.	TK Burgers	1210 East Park St, #101	Hollister	CA	95023	(831) 265-7085
8.	CCG	1011 S. Figueroa St., Ste. B 101	Los Angeles	CA	90015	(213) 631-3355
9.	TK Burgers *	130 General Stillwell Dr, Ste 108	Marina	CA	93933	(831) 920-1250
10.	Fahmy Enterprises	Crown Valley Pkwy & Puerta Real	Orange County	CA	92691	(949) 364-1246
11.	Fahmy Enterprises	806 Avenida Pico, Suite E,	San Clemente	CA	92673	(949) 218-4900
12.	HMS Host	1701 Airport Blvd. Space NC-10	San Jose	CA	95110	(408) 441-3902
13.	MCE-DIA, LLC	8500 Pena Blvd. Concourse C	Denver	CO	80243	(313) 937-2010
14.	MCE-DIA, LLC	8500 Pena Blvd Concourse B	Denver	CO	80243	(303) 342-6932
15.	Aramark Corporation	2001 Blake Street	Denver	CO	80205	(303) 292-0200
16.	TLC Gourmet Food International LLC *	4035 S Dale Mabry Hwy	Tampa	FL	33611	(813) 374-6755
17.	CNC Kirby Ventures Inc.	4283 Legendary Dr.	Destin	FL	32541	(850) 353-2330
18.	TLC Gourmet Food International LLC *	10801 Starkey Rd. #4	Largo	FL	33777	(727) 914-6725
19.	Pike VII Mgt Inc	1821 22nd Street	Des Moines	IA	50266	(515) 661-6666
20.	HMS Host	600 Terminal Dr #10	Louisville	KY	40209	(918) 340-0707
21.	SSP America, Inc.	2588 Worldgateway Place Smash B2-308	Detroit	MI	48242	(734) 460-1177
22.	HMS Host	4300 Glumack Drive, LT-3000	St. Paul	MN	55111	(612) 356-5838
23.	BeBurgers, LLC	4400 Randolph Rd	Charlotte	NC	28211	(704) 626-1110
24.	Whitman May	5501 Josh Birmingham Pkwy.	Charlotte	NC	28208	(704) 595-7133
25.	SMAZ LLC	2608 Erwin Road, Durham, NC	Durham	NC	27705	(919) 237-1070
26.	Colvingsod Concepts LLC	1801 45th St SW.	Fargo	ND	58103	(701) 478-2111
27.	TLC Gourmet Food International LLC *	698 N. Delsea Dr.	Glassboro	NJ	08028	(856) 388-4210
28.	TLC Gourmet Food International LLC *	490 S. Lenola Rd.	Maple Shade	NJ	08052	(856) 242-3858
29.	HMS Host	Newark Terminal B-Pre Sec, 3 Brewster Road	Newark	NJ	07114	(908) 737-5163
30.	Compass Group	323 Dr. Martin Luther King Jr Blvd	Newark	NJ	07102	(973) 596-2468
31.	Compass Group	1000 Morris Ave	Union	NJ	07083	(908) 737-5163
32.	Harrah's Laughlin	2900 South Casino Dr.	Laughlin	NV	89029	(702) 298-8552
33.	Choctaw Nation of Oklahoma	3735 Choctaw Rd	Durant	OK	74701	(888) 652-4628
34.	TLC Gourmet Food International LLC *	707 N Krocks Rd	Allentown	PA	18106	(610) 398-3000
35.	New York Ice Cream	8500 Essington Ave., FH-7	Philadelphia	PA	19153	(215) 937-4410

LIST OF FRANCHISEES AS OF 12/28/2025

36.	New York Ice Cream	8000 Essington Ave	Philadelphia	PA	19153	(215) 937-4410
37.	New York Ice Cream	Philly Airport B	Philadelphia	PA	19153	(215) 937-4410
38.	TLC Gourmet Food International LLC *	550 E. Lancaster Ave.	Radnor	PA	19087	(484) 584-4926
39.	TLC Gourmet Food International LLC *	400 S State Rd	Springfield	PA	19064	(484) 471-3249
40.	BeBurgers, LLC *	718 Fashion Dr., Ste. A	Columbia	SC	29229	(803) 832-0101
41.	BeBurgers, LLC	1329 Broadcloth St., Ste 101	Fort Mill	SC	29715	(803) 792-0525
42.	BeBurgers, LLC *	937 Lake Murray Blvd	Irmo	SC	29063	(803) 724-3630
43.	Lowcountry Burgers, LLC	210 Azalea Square Blvd., Ste. A	Summerville	SC	29483	(843) 821-7700
44.	Phase Next Hospitality	2400 Aviation Drive North	Dallas	TX	75261	(915) 565-9464
45.	Phase Next Hospitality	1611 Haan Rd., Space K-123	El Paso	TX	79906	(915) 565-9464
46.	Big D Dining◇	1111 S Preston Rd #30	Prosper	TX	75078	(469) 715-6062
47.	C4 Enterprises LLC	3700 North Thanksgiving Way, Ste. #C	Lehi	UT	84043	(385) 345-3717
48.	C4 Enterprises LLC	1028 East 2100 South, Ste. 2	Salt Lake City	UT	84106	(801) 478-0158
49.	HMS Host	776 N. Terminal Dr FH-7	Salt Lake City	UT	84122	(801) 575-2087
50.	BMG Consulting Services ^	Reagan National Airport	Arlington	VA	22202	(202) 286-1788
51.	JKR 100 Inc. *	1412 Greenbrier Pkwy	Chesapeake	VA	23320	(757) 513-0002
52.	JKR 100 Inc. *	2019 Von Schilling Dr	Hampton	VA	23666	(757) 827-7128
53.	Compass Group	3710 NW 319th St	Ridgefield	WA	98642	(570) 899-0179

* Indicates that this franchisee has signed a Multi-Unit Development Agreement.

^ Indicates that this franchisee has ceased operations since the end of our most recent fiscal year.

◇ Indicates that this franchisee has transferred to new ownership since the end of our most recent fiscal year.

**LIST OF FRANCHISEES WHO HAVE SIGNED
BUT NOT OPENED RESTAURANTS AS OF 12/28/25**

None.

EXHIBIT G
LIST OF FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED

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

**FRANCHISEES WHO HAVE LEFT THE SYSTEM
DURING THE FISCAL YEAR ENDED 12/28/2025**

	Name of Franchisee	City	State	Phone Number	Reason
1.	Southern Arizona Restaurant Company LLC (SARC)	Oro Valley	AZ	(520) 742-3332	Transfer
2.	Southern Arizona Restaurant Company LLC (SARC)	Tucson	AZ	(520) 325-9553	Transfer
3.	Sunflower 613 LLC	Longmont	CO	(303) 485-7412	Ceased Operations for Other Reasons
4.	Sunflower 1225 LLC	Loveland	CO	(970) 461-0188	Ceased Operations for Other Reasons
5.	Two Spurs	Orlando	FL	(407) 286-3390	Ceased Operations for Other Reasons
6.	Delaware North	Boise	ID	(716) 858-5761	Ceased Operations for Other Reasons
7.	Compleat Burger Concepts	Baton Rouge	LA	(225) 960-7081	Ceased Operations for Other Reasons
8.	Compleat Burger Concepts	Metairie	LA	(504) 833-7906	Ceased Operations for Other Reasons
9.	SMAZ LLC	Raleigh	NC	(919) 870-9230	Ceased Operations for Other Reasons
10.	Ballantyne Smash, LLC	Charlotte	NC	(704) 544-5355	Ceased Operations for Other Reasons
11.	SMB ROC	Rochester	NY	(585) 425-1300	Ceased Operations for Other Reasons
12.	SMB ROC	Waterloo	NY	(315) 946-1793	Ceased Operations for Other Reasons
13.	Kessling Management Group, LLC	Dayton	OH	(937) 938-9888	Ceased Operations for Other Reasons
14.	Kessling Management Group, LLC	Dayton	OH	(937) 985-9262	Acquired by franchisor affiliate
15.	Kessling Management Group, LLC	Dayton	OH	(937) 387-6564	Acquired by franchisor affiliate
16.	Kessling Management Group, LLC	West Chester	OH	(513) 847-4840	Acquired by franchisor affiliate
17.	Big D Dining	Prosper	TX	(469) 715-6062	Transfer
18.	BMG Consulting Services ¹	Arlington	VA	(202) 286-1788	Ceased Operations for Other Reasons

¹ This franchisee has ceased operations since the end of our most recent fiscal year.

EXHIBIT H
FINANCIAL STATEMENTS

AUDITED FINANCIALS

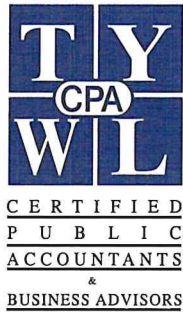
Smashburger Franchising LLC

Financial Statements as of December 28, 2025 and
December 29, 2024, and for the Fiscal Years Ended
December 28, 2025, December 29, 2024, and December 31,
2023, and Report of Independent Auditors

SMASHBURGER FRANCHISING LLC

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WEBSITE: www.tywlcpa.com

To the Managing Member of Smashburger Franchising LLC

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Smashburger Franchising LLC (the Company), which comprise the balance sheets as of December 28, 2025 and December 29, 2024, and the related statements of income, member's equity, and cash flows for the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Smashburger Franchising LLC as of December 28, 2025 and 29, 2024, and the results of its operations and its cash flows for the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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 Company's ability to continue as a going concern within one fiscal year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Thong, Chu, Dong & Lee, LLP

Rosemead, CA

March 31, 2026

SMASHBURGER FRANCHISING LLC

**BALANCE SHEETS
AS OF DECEMBER 28, 2025 AND DECEMBER 29, 2024
(in thousands)**

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable, net	893	687
Accounts receivable, related party	50	250
Note receivable, related party	791	702
Restricted asset — Marketing Fund Trust	<u>59</u>	<u>74</u>
Total current assets	1,793	1,713
Deferred franchise costs	<u>1,075</u>	<u>1,288</u>
TOTAL ASSETS	<u>\$ 2,868</u>	<u>\$ 3,001</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable, related party	\$ 32	\$ 7
Liability — Marketing Fund Trust	59	74
Deferred revenue - current	<u>95</u>	<u>662</u>
Total current liabilities	186	743
Deferred revenue	<u>382</u>	<u>492</u>
Total liabilities	<u>568</u>	<u>1,235</u>
MEMBER'S EQUITY:		
Contributed capital	187	187
Retained earnings	<u>2,113</u>	<u>1,579</u>
Total member's equity	<u>2,300</u>	<u>1,766</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 2,868</u>	<u>\$ 3,001</u>

See accompanying notes to financial statements.

SMASHBURGER FRANCHISING LLC

INCOME STATEMENTS

FOR THE FISCAL YEARS ENDED DECEMBER 28, 2025, DECEMBER 29, 2024, AND DECEMBER 31, 2023
(in thousands)

	2025	2024	2023
REVENUES:			
Royalty fees	\$ 5,583	\$ 6,452	\$ 6,855
Franchise fees	<u>740</u>	<u>706</u>	<u>294</u>
Total revenues	<u>6,323</u>	<u>7,158</u>	<u>7,149</u>
COSTS AND EXPENSES:			
Servicing expense — affiliate	5,524	6,266	6,740
Intellectual property licensing expense — affiliate	174	198	213
Credit loss expense	<u>105</u>	<u>1</u>	<u>(16)</u>
Total costs and expenses	<u>5,803</u>	<u>6,465</u>	<u>6,937</u>
OTHER INCOME AND EXPENSE:			
Interest income	<u>14</u>	<u>11</u>	<u>10</u>
NET INCOME	<u><u>\$ 534</u></u>	<u><u>\$ 704</u></u>	<u><u>\$ 222</u></u>

See accompanying notes to financial statements.

SMASHBURGER FRANCHISING LLC

STATEMENTS OF MEMBER'S EQUITY

FOR THE FISCAL YEARS ENDED DECEMBER 28, 2025, DECEMBER 29, 2024, AND DECEMBER 31, 2023
(in thousands)

	Contributed Capital	Retained Earnings	Total
BALANCE — January 1, 2023	\$ <u>187</u>	\$ <u>653</u>	\$ <u>840</u>
Net income	<u>-</u>	<u>222</u>	<u>222</u>
BALANCE — December 31, 2023	\$ <u>187</u>	\$ <u>875</u>	\$ <u>1,062</u>
Net income	<u>-</u>	<u>704</u>	<u>704</u>
BALANCE — December 29, 2024	\$ <u>187</u>	\$ <u>1,579</u>	\$ <u>1,766</u>
Net income	<u>-</u>	<u>534</u>	<u>534</u>
BALANCE — December 28, 2025	\$ <u>187</u>	\$ <u>2,113</u>	\$ <u>2,300</u>

See accompanying notes to financial statements.

SMASHBURGER FRANCHISING LLC

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED DECEMBER 28, 2025, DECEMBER 29, 2024, AND DECEMBER 31, 2023
(in thousands)

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 534	\$ 704	\$ 222
Changes in operating assets and liabilities:			
Accounts receivable	(206)	(309)	121
Accounts receivable, related party	200	(67)	(109)
Restricted asset — Marketing Fund Trust	15	11	18
Deferred franchise costs	213	354	239
Accounts payable, related party	25	(6)	(16)
Liability — Marketing Fund Trust	(15)	(11)	(18)
Deferred revenue	<u>(677)</u>	<u>(693)</u>	<u>(267)</u>
Net cash provided by (used in) operating activities	89	(17)	190
CASH FLOWS FROM INVESTING ACTIVITIES:			
Repayment of notes receivable	(89)	17	-
Issuance of notes receivable	<u>-</u>	<u>-</u>	<u>(190)</u>
Net cash provided by (used in) investing activities	(89)	17	(190)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

SMASHBURGER FRANCHISING LLC

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 28, 2025 AND DECEMBER 29, 2024, AND FOR THE FISCAL YEARS ENDED
DECEMBER 28, 2025, DECEMBER 29, 2024, AND DECEMBER 31, 2023

1. SUMMARY OF THE ORGANIZATION

Smashburger Franchising LLC (the “Company”) was formed in the state of Delaware on March 5, 2008. The Company is a subsidiary of Smashburger Finance LLC. The Company is primarily engaged in franchising fast casual “better burger” restaurants, which offer handcrafted burgers, chicken sandwiches, freshly prepared salads, handspun shakes, and an array of signature sides under the service mark Smashburger®. As of December 28, 2025, the Company franchised restaurants in 20 states and 6 countries.

The Company primarily generates revenues from the opening and ongoing operations of franchise stores and from ongoing royalty fees earned under the franchise agreements and master franchise agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Fiscal Year — The Company’s fiscal year is 52 or 53 weeks ending on the Sunday closest to December 31. Fiscal year 2025 includes 52 weeks, fiscal year 2024 includes 52 weeks, and fiscal year 2023 includes 52 weeks.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and the disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents — The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Routinely throughout the year the Company will sweep the ending cash balance into the cash account of SJBF, LLC.

Accounts Receivable, Net — The Company’s accounts receivable consist primarily of franchise fees and royalties receivable. The Company has adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments - Credit Losses (Topic 326). Under this model, an entity recognizes an impairment allowance equal to its current estimate of credit losses on financial assets. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses due to a significant deterioration in the customer’s financial condition such that collectability is uncertain. As of December 28, 2025 and December 29, 2024, the Company recorded an allowance for credit losses of \$194 thousand and \$91 thousand, respectively.

Deferred Franchise Costs — The Company has a franchise servicing agreement with a related party that provides all pre- and post-opening services required under the franchise agreements, including compliance with industry-specific governmental regulations and laws and the filing of required tax returns and payment of related taxes. Amounts paid to the related party for servicing fees are deferred and expensed over the life of the underlying franchise agreement.

For the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, prepaid servicing fees were approximately \$1.0 million, \$1.2 million, and \$1.6 million, respectively, and servicing fees expensed were approximately \$5.5 million, \$6.3 million, and \$6.7 million, respectively.

The Company licenses intellectual property from a related party. Under this agreement, the Company pays a fee based on initial franchise fees, ongoing royalties, and other fees paid to the Company by the franchise owners. The costs paid to the related party associated with initial franchise fees are deferred and expensed over the life of the underlying franchise agreement. The costs associated with royalties and other fees are expensed as incurred.

For the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, prepaid intellectual property license fees were approximately \$0.1 million, \$0.1 million, and \$0.1 million, respectively, and intellectual property license fees expensed under the license agreement were approximately \$0.2 million, \$0.2 million, and \$0.2 million, respectively.

The total deferred costs related to payments to related parties for servicing and intellectual property license fees as of December 28, 2025 and December 29, 2024 were approximately \$0.5 million and \$1.2 million, respectively, and are included within deferred franchise costs on the balance sheets.

Revenue Recognition — Pursuant to the various franchise agreements, franchise owners are required to pay the Company royalty fees based on a percentage of sales ranging from 1% to 5.5%. Royalties are accrued based on a percent of gross sales less discounts, as reported by the franchise owners, and are included in accounts receivable. Royalty revenues are accounted for under the sales-based or usage-based royalty exception of Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*. Under this exception, the Company is not required to estimate royalty revenues at contract inception but rather recognizes revenue in the period the related franchise sales occur. The following table provides the beginning and ending accounts receivable balances related to revenue:

	2025	2024
Balance at beginning of year	\$ 687	\$ 561
Balance at end of year	\$ 893	\$ 687

All pre- and post-opening services and servicing fees collected by the Company before all material franchise services and conditions are substantially performed are recorded as deferred revenue. These deferred fees are recognized as revenue over the life of the underlying franchise agreement which is typically 15 years. In the event an agreement is terminated between the Company and the franchisee, the remaining deferred fees are recognized as revenue at the time of termination.

Income Taxes — The Company is a single-member LLC and treated as a disregarded entity. This means that for federal income tax purposes, single-member LLCs are accounted for as divisions of the single member and do not file separate returns. Accordingly, no provision for income taxes is provided in the Company’s financial statements. The Company files income tax returns as required in the United States. As of December 28, 2025, the earliest year the Company could be subject to examination is 2022. There are no ongoing examinations at this time.

Fair Value of Financial Instruments — The carrying amounts of cash and cash equivalents, accounts receivable, related-party receivables, and related-party payables approximate fair value due to the nature and short maturities of these instruments.

Recently Adopted Accounting Pronouncements - All ASUs issued but not yet effective are not applicable or not expected to have a material impact on the Company’s future Financial Statements

3. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

4. RELATED-PARTY TRANSACTIONS

Marketing Fund Trust — Under the franchise agreements, franchisees agree to contribute a percentage of restaurant sales directly to the Smashburger Marketing Fund Trust (“Marketing Fund Trust”). The Company established the Marketing Fund Trust to collect and administer these marketing funds collected from franchise owners and Smashburger restaurants owned by affiliates of the Company (“Corporate Units”). Contributions are required to be utilized only for marketing activities. The Company has selected a related party to serve as the trustee of the Marketing Fund Trust. Other affiliates of the Company may elect to make discretionary contributions to the Marketing Fund Trust. If the Company elected to not require its franchise owners and Corporate Units to contribute any monies for marketing activities, the Company would be required to refund any cumulative unspent monies to the franchise owners and Corporate Units. As of December 28, 2025 and December 29, 2024, no such refund obligation exists.

As of December 28, 2025 and December 29, 2024, restricted assets of \$0.1 million consisted of receivables from franchise owners and Corporate Units designated for contributions to the Marketing Fund Trust. Since the Company has the obligation to immediately contribute the amounts to the Marketing Fund Trust as of December 28, 2025 and December 29, 2024, corresponding restricted liabilities were recorded.

Note Receivable/Notes Payable— During 2011, the Company entered into a revolving note arrangement with a related party whereby the Company can lend or borrow funds as its cash requirements allow or as contractually required. Depending if the arrangement position is a note receivable or payable, the note earns or bears interest at the greater of 1.5% or the short-term applicable federal rate. As of December 28, 2025 and December 29, 2024, the note receivable balance was \$791 thousand and \$702 thousand, respectively, with an applicable interest rate of 1.5%. The note is payable on demand and the carrying value is equal to the fair value given the short-term nature. For the years ended December 28, 2025, December 29, 2024, and December 31, 2023, net interest income from the related party was \$14 thousand, \$11 thousand, and \$10 thousand.

Distribution to Parent – The Company made no distributions in 2025, 2024, or 2023.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Contract Balances

The Company records contract assets and liabilities related to customer contracts.

Contract assets consist of service fees and intellectual property fees paid to the Company by franchisees. These costs are capitalized and expensed on a straight-line basis over the life of the underlying franchise agreement, which is typically 15 years. Contract assets are included in deferred franchise costs on the balance sheets.

Contract liabilities consist of prepayments for development fees, initial franchise fees, and transfer fees by franchise owners. These fees are included in deferred revenue on the balance sheets and are recognized as revenue over the life of the underlying franchise agreement. Revenue recognized for the

fiscal year ended December 28, 2025, relating to contract liabilities as of December 29, 2024 was \$0.7 million. Revenue recognized for the fiscal year ended December 29, 2024, relating to contract liabilities as of December 31, 2023 was \$0.7 million.

A summary of the balances of contract assets and contract liabilities at December 28, 2025 and December 29, 2024 is as follows (in thousands):

	December 28, 2025	December 29, 2024
<u>Contract Assets</u>		
Service and intellectual property license fees	\$ 1,075	\$ 1,288
<u>Contract Liabilities</u>		
Deferred franchise revenues	\$ 477	\$ 1,154

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is party to various outstanding legal proceedings and asserted and unasserted claims. In the opinion of management, the ultimate disposition of these matters, both asserted and unasserted, are not expected to have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for recognition or disclosure through March 31, 2026, which was the date these financial statements were considered available to be issued.

* * * * *

UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Smashburger Franchising LLC

Financial Statements as of and for the Fiscal Quarter Ended
April 5, 2026

- 1 -

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SMASHBURGER FRANCHISING LLC

**BALANCE SHEETS
AS OF APRIL 5, 2026
(in thousands)**

	2025
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ -
Accounts receivable, net	827
Accounts receivable, related party	126
Note receivable, related party	776
Restricted asset — Marketing Fund Trust	<u>72</u>
Total current assets	1,801
Deferred franchise costs	<u>1,016</u>
TOTAL ASSETS	<u>\$ 2,817</u>
 LIABILITIES AND MEMBER'S EQUITY	
CURRENT LIABILITIES:	
Liability — Marketing Fund Trust	\$ 72
Deferred revenue - current	<u>95</u>
Total current liabilities	167
Deferred revenue	<u>322</u>
Total liabilities	<u>489</u>
MEMBER'S EQUITY:	
Contributed capital	187
Retained earnings	<u>2,141</u>
Total member's equity	<u>2,328</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 2,817</u>

SMASHBURGER FRANCHISING LLC
INCOME STATEMENTS
FOR THE QUARTER ENDED APRIL 5, 2026
(in thousands)

	2025
REVENUES:	
Royalty fees	\$ 1,201
Franchise fees	<u>60</u>
Total revenues	<u>1,261</u>
COSTS AND EXPENSES:	
Servicing expense — affiliate	1,198
Intellectual property licensing expense — affiliate	38
Credit loss expense	<u> </u>
Total costs and expenses	<u>1,236</u>
OTHER INCOME AND EXPENSE:	
Interest income	<u>3</u>
NET INCOME	<u>\$ 28</u>

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SMASHBURGER FRANCHISING LLC

**STATEMENTS OF MEMBER'S EQUITY
FOR THE QUARTER ENDED APRIL 5, 2026
(in thousands)**

	Contributed Capital	Retained Earnings	Total
BALANCE — December 28, 2025	\$ <u>187</u>	\$ <u>2,113</u>	\$ <u>2,300</u>
Net income	<u>-</u>	<u>28</u>	<u>28</u>
BALANCE — April 5, 2026	\$ <u>187</u>	\$ <u>2,141</u>	\$ <u>2,328</u>

SMASHBURGER FRANCHISING LLC

STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED APRIL 5, 2026
(in thousands)

**CASH FLOWS FROM OPERATING
ACTIVITIES:**

Net income	\$	28
Changes in operating assets and liabilities:		
Accounts receivable		66
Accounts receivable, related party		(76)
Restricted asset — Marketing Fund Trust		(13)
Deferred franchise costs		59
Accounts payable, related party		(32)
Liability — Marketing Fund Trust		13
Deferred revenue		<u>(60)</u>
Net cash provided by (used in) operating activities		(15)

**CASH FLOWS FROM INVESTING
ACTIVITIES:**

Repayment of notes receivable	15
Issuance of notes receivable	<u>-</u>
Net cash provided by (used in) investing activities	15

**NET (DECREASE) INCREASE IN CASH AND
CASH EQUIVALENTS**

-

CASH AND CASH EQUIVALENTS:

Beginning of year	<u>-</u>
End of year	<u>\$ -</u>

EXHIBIT I

TABLE OF CONTENTS TO OPERATIONS MANUAL

SMASH BURGER®

OPERATIONS MANUAL

TABLE OF CONTENTS

SECTION 1 — STANDARDS OF OPERATIONS GUIDE	73 pages
SECTION 2 — ALOHA AND MENU LINK RESOURCE GUIDE	92 pages
SECTION 3 — CRISIS GUIDE	24 pages
SECTION 4 — PREP RECIPES & PROCEDURES GUIDE	85 pages
SECTION 5 — MENU RECIPES & PROCEDURES GUIDE	111 pages
SECTION 6 — REAL ESTATE PROCESS	6 pages
SECTION 7 — NEW RESTAURANT OPENING (NRO) GUIDE	14 pages

Total pages = 405

This Operations Manual is confidential and proprietary to Smashburger IP Holder LLC and is intended solely for the use of Smashburger Franchising LLC and its franchisees and affiliates.

EXHIBIT J
REPRESENTATIONS STATEMENT

REPRESENTATIONS STATEMENT

DO NOT SIGN IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to SMASHBURGER FRANCHISING LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the multi-unit development and/or franchise rights (“Franchisee”), (a) fully understands that the purchase of a Smashburger Restaurant franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise. In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement and Multi-Unit Development Agreement, at least 14 calendar days before I executed the Franchise Agreement and/or the Multi-Unit Development Agreement, as applicable. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by and did not rely upon any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success), other than the information in Item 19 of the Franchise Disclosure Document? ☐ Yes ☐ No (Initial Here: ____) If you selected “Yes,” please describe the information you received on the lines below: _____ _____	INITIAL:

[Signature page follows]

FRANCHISEE:

Sign here if you are taking the franchise as an
INDIVIDUAL(S)

(Note: use these blocks if you are an
individual or a partnership but the
partnership is not a separate legal entity)

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Title: _____
Date: _____

EXHIBIT K

SAMPLE GENERAL RELEASE

SMASHBURGER FRANCHISING LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE

Smashburger Franchising LLC (“we,” “us,” or “our”) and the undersigned [franchisee or multi-unit developer] (“you” or “your”), currently are parties to a certain [franchise agreement or multi-unit developer agreement] (the “[Franchise Agreement or Multi-Unit Developer Agreement]”) dated _____, 20____ (the “Agreement”). You have asked us to take the following action or to agree to the following request: _____

_____. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former affiliated entities and each of our and their respective officers, directors, owners, managers, principals, employees, agents, representatives, successors, and assigns (collectively, the “Smashburger Parties”) of and from any and all claims, damages whether at law or in equity and known or unknown, demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Smashburger Parties, including without limitation, any and all Claims in any way (1) arising out of or related to the Smashburger Parties’ obligations under the Franchise Agreement, or (2) otherwise arising out of or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Smashburger Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Smashburger Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

IF THE FRANCHISE YOU OPERATE UNDER THE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE

RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE SMASHBURGER PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE SMASHBURGER PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 et seq, governs the parties’ franchise relationship, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Minnesota Franchise Act.

If the franchise you operate under the Franchise Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

SMASHBURGER FRANCHISING LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

[FRANCHISEE OR MULTI-UNIT DEVELOPER]:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND
NOT A LEGAL ENTITY; AND/OR ALL
[FRANCHISEE/MULTI-UNIT
DEVELOPER] OWNERS):**

Signature

Print Name

Signature

Print Name

EXHIBIT L

STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
SMASHBURGER FRANCHISING LLC**

The following are additional disclosures for the Franchise Disclosure Document of Smashburger Franchising LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR MULTI-UNIT DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

3. OUR WEBSITE, www.smashburger.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL INNOVATION & PROTECTION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL INNOVATION & PROTECTION AT www.dfpi.ca.gov.

4. The following is added at the end of Item 1:

Franchisees located in California are required to comply with all applicable California labor laws, including labor laws that may apply to certain fast food restaurant industry employees. Specifically, California franchisees operating certain fast food restaurants must comply with Part 4.5.5 (commencing with Section 1474) of Division 2 of the California Labor Code (codifying Assembly Bill No. 1228) which established the California Fast Food Council (“CFFC”) which has the authority to increase the hourly minimum wage subject to certain limitations, and to set forth requirements, limitations,

and procedures for adopting and reviewing fast food restaurant health, safety, and employment standards in California.

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

Neither we, our predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

6. The following language is added to the end of Item 7:

Compliance with the bill law may increase your expenses (including increased wages) and the amount of your initial investment. You may review the Department of Industrial Relations website at Fast Food Minimum Wage Frequently Asked Questions (ca.gov) for further information and consult with an attorney specializing in labor law in determining any additional costs.

7. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Multi-Unit Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

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 Multi-Unit Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

The Multi-Unit Development Agreement and Franchise Agreement contain a covenant not to compete that extends beyond termination of the franchise. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition

The Multi-Unit Development Agreement and Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Multi-Unit Development Agreement and Franchise Agreement requires application of the laws of the State of Colorado. This provision might not be enforceable under California law. Nothing in the Franchise Agreement will abrogate

or reduce any of your rights under the California Franchise Investment Law and the California Franchise Relationship Act, or your rights to any procedure, forum or remedies that such laws provide.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Multi-Unit Development Agreement and Franchise Agreement requires binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our or, as applicable, our successor's or assign's then-current principal place of business (currently Denver, Colorado) with the costs being borne as provided in the Multi-Unit Development Agreement and Franchise Agreement. Prospective developers and 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 Multi-Unit Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

The Multi-Unit Development Agreement and Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

HAWAII

1. THESE FRANCHISES WILL BE/HAVE 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 HEREIN 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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 THE FRANCHISOR AND THE FRANCHISEE.

DO NOT SIGN THE REPRESENTATIONS STATEMENT IF YOU ARE LOCATED, OR YOUR RESTAURANT WILL BE LOCATED IN HAWAII.

You must reimburse us for any Hawaii general excise tax assessed on your payments to us, but we are responsible for any interest or penalties assessed for late payment or non-payment of Hawaii general excise taxes.

ILLINOIS

1. The following language is added to the end of Item 17:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive

compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. The following language is added at the end of Items 5 and 7.

As a condition to becoming registered to offer and sell franchises in the State of Minnesota, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. “Renewal, Termination, Transfer and Dispute Resolution”. The following is added at the end of the chart in Item 17:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties

or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd.

NSF checks are governed by Minnesota Statute 60A.113, which puts a cap of \$30 on service charges.

No statement, questionnaire, or acknowledgement 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 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 SOURCES OF 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN

THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

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

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

Except as provided above, with regard to us, our predecessor, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our *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. In addition, no such party has civil actions pending against that party, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- B. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices; or comparable allegations.
- C. 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 Item 4:

Except as provided above, with regard to us, our affiliate, our predecessor, officers or general partners, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document, no such party, has during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; or (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend”, and Item 17(m), entitled “Conditions for franchisor’s 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.

5. The following is added to the end of the “Summary” section of Item 17(d), entitled “Termination by franchisee”:

You may terminate the Franchise Agreement or Multi-Unit Development Agreement on any grounds available by law.

6. The following is added to the end of the “Summary” section of Item 17(j), entitled “Assignment of contract by us”:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Multi-Unit Development Agreement or Franchise Agreement.

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

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

8. 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.

9. 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 earliest 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.

RHODE ISLAND

1. The “Summary” section of Item 17(v), entitled “Choice of forum”, is deleted and replaced with the following:

You must sue us in the state where our or, as applicable, our successor’s or assign’s then-current principal place of business is located (currently Denver, Colorado), except to the extent otherwise required by applicable law for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w), entitled “Choice of law”, is deleted and replaced with the following:

The laws of the State of Colorado apply, except to the extent otherwise required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act.

VIRGINIA

1. The “Summary” section of Item 17(h), entitled “Cause defined – non curable defaults”, is amended by adding the following:

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.

2. The “Summary” section of Item 17(o), entitled “Franchisor’s option to purchase franchisee’s business” is amended by adding the following:

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 Multi-Unit Development Agreement or Franchise

Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Multi-Unit Development Agreement or Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

3. The following terms will apply to the franchise offered hereby if and only if the franchise is granted on or after July 1, 2026:

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the

franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. 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.
4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. Nonsolicitation Agreements. 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.
16. 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.
17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the

offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT**

**RIDER TO THE SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the “Multi-Unit Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Smashburger Restaurants that you develop under your Multi-Unit Development Agreement are or will be located in the State of Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Multi-Unit Development Agreement:

Illinois law governs the Multi-Unit Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a multi-unit development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a multi-unit development agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____
Name: _____
Title: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the “Multi-Unit Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) the Smashburger Restaurants that you will develop under the Multi-Unit Development Agreement will be operated wholly or partly in the State of Minnesota; and/or (b) you either a resident of, domiciled in, or actually present in the State of Minnesota.

2. **DEVELOPMENT FEE.** The following language is added to the end of Section 3.A of the Multi-Unit Development Agreement:

As a condition to becoming registered to offer and sell franchises in the State of Minnesota, all development fees and initial payments by you shall be deferred until the first franchise under this Agreement opens.

3. **NON-COMPETE.** Notwithstanding anything to the contrary, we shall not enforce the non-compete provisions provided under Sections 5.A and 7.D of the Multi-Unit Development Agreement against any of your immediate family members, unless such person has had access to our System and Confidential Information, or otherwise acts in concert or participation with anyone bound by these provisions to violate or breach such provisions.

4. **RELEASES.** The following is added to the end of Section 6.C of the Multi-Unit Development Agreement:

Any release required as a condition of assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **INJUNCTIVE RELIEF.** The following language is added to the end of Section 9.D of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

6. **LIMITATIONS OF CLAIMS.** The following is added to the end of the first paragraph of Section 9.E of the Multi-Unit Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

7. **MINNESOTA LAW.** Notwithstanding anything to the contrary contained in the Multi-Unit Development Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____
Name: _____
Title: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Smashburger Restaurants that you develop under your Multi-Unit Development Agreement are or will be operated in the State of New York.

2. **ASSIGNMENT BY US.** The following language is added to the end of Section 6.A of the Multi-Unit Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Sections 6.C of the Multi-Unit Development Agreement:

Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **CONSENT TO JURISDICTION.** The following is added to the end of Section 9.B of the Multi-Unit Development Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

5. **APPLICABLE LAW.** The following is added to the end of Section 9.G of the Multi-Unit Development Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

5. **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.

6. **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 earliest 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____

Name: _____

Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____

Name: _____

Title: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20____ (the “Multi-Unit Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Smashburger Restaurants you develop under your Multi-Unit Development Agreement are or will be operated in the State of Rhode Island.

2. **CONSENT TO JURISDICTION.** The following is added at the end of Section 9.B of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

3. **APPLICABLE LAW.** Section 9.G of the Multi-Unit Development Agreement is deleted and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners’ competitive activities will be governed by the laws of the state in which your Development Area is located, and (3) to the extent required by applicable law, Rhode Island Law will apply to claims arising under the Rhode Island Franchise Investment Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____
Name: _____
Title: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, (the “**Multi-Unit Development Agreement**”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement if and only if, in such case to the extent that: (a) the franchise to operate a Smashburger Restaurant is granted on or after July 1, 2026, and (b) the offer or sale of such franchise is for a Smashburger Restaurant that is to be located or operated in the Commonwealth of Virginia.

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____

Name: _____

Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____

Name: _____

Title: _____

**WASHINGTON ADDENDUM TO THE MULTI-UNIT DEVELOPMENT
AGREEMENT, AND ALL RELATED AGREEMENT**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

WASHINGTON LAW. The following paragraphs are added to the end of the Multi-Unit Development Agreement:

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** 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.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for

claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. 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.

16. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Development Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

Sign: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

Name of Entity

Sign: _____
Name: _____
Title: _____

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Smashburger Restaurant that you develop under your Franchise Agreement is or will be operated in the State of Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Smashburger Restaurant that you will develop under the Franchise Agreement will be operated wholly or partly in the State of Minnesota; and/or (b) you either a resident of, domiciled it, or actually present in the State of Minnesota.

2. **INITIAL FRANCHISE FEE.** The following language is added to the end of Section 3.A of the Franchise Agreement:

As a condition to becoming registered to offer and sell franchises in the State of Minnesota, we will defer your obligation to pay the initial franchise fee, until we have met our pre-opening obligations and you have commenced operation of the Smashburger Restaurant.

3. **NON-COMPETE.** Notwithstanding anything to the contrary, we shall not enforce the non-compete provisions provided under Sections 7.A and 15.C of the Franchise Agreement against any of your immediate family members, unless such person has had access to our System and Confidential Information, or otherwise acts in concert or participation with anyone bound by these provisions to violate or breach such provisions.

4. **RELEASES.** The following is added to the end of Sections 12.C(3), 13.A(7) and 15.D(5) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 13.B and 14.B of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 15.E of the Franchise Agreement

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

7. **INJUNCTIVE RELIEF.** Section 17.K of the Franchise Agreement is deleted and replaced with the following:

Notwithstanding the foregoing, a court will determine if a bond is required.

8. **LIMITATIONS OF CLAIMS.** The following is added to the end of Section 17.M of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

9. **MINNESOTA LAW.** Notwithstanding anything to the contrary contained in the Franchise Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, (the “Franchise Agreement”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Smashburger Restaurant that you develop under your Franchise Agreement is or will be operated in the State of New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 12.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Sections 12.C(3), 13.A(7) and 15.D(5) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY YOU.** The following language is added to the end of Section 14.A of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW.** The following statement is added at the end of Section 17.H of the Franchise Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **CONSENT TO JURISDICTION.** The following is added to the end of Section 17.I of the Franchise Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **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.

8. **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 earliest 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Smashburger Restaurant that you develop under your Franchise Agreement is or will be operated in the State of Rhode Island.

2. **GOVERNING LAW.** Section 17.H of the Franchise Agreement is deleted and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners’ competitive activities will be governed by the laws of the state in which your Restaurant is located, and (3) to the extent required by applicable law, Rhode Island Law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. **CONSENT TO JURISDICTION.** The following is added at the end of Section 17.I of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE SMASHBURGER FRANCHISING LLC
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, (the “**Franchise Agreement**”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement if and only if, in such case to the extent that: (a) the franchise to operate a Smashburger Restaurant is granted on or after July 1, 2026, and (b) the offer or sale of such franchise is for a Smashburger Restaurant that is to be located or operated in the Commonwealth of Virginia.

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT,
AND ALL RELATED AGREEMENTS**

THIS RIDER is made and entered into by and between **SMASHBURGER FRANCHISING LLC**, a Delaware limited liability company with its principal business address at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210 (“we,” “us,” or “our”), and _____, whose principal business address is _____ (“you” or “your”).

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

WASHINGTON LAW. The following paragraphs are added to the end of the Franchise Agreement:

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for

claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. 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.

16. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SMASHBURGER FRANCHISING LLC, a
Delaware limited liability company

FRANCHISE OWNER:

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

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

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

State	Effective Date
California	May 27, 2026, as amended _____
Hawaii	April 27, 2026, as amended _____
Illinois	April 17, 2026, as amended May 28, 2026
Indiana	April 20, 2026, as amended May 28, 2026
Michigan	April 17, 2026, as amended May 28, 2026
Minnesota	Pending
New York	Pending
North Dakota	April 20, 2026, as amended _____
Rhode Island	April 20, 2026, as amended _____
South Dakota	April 17, 2026, as amended May 28, 2026
Virginia	May 7, 2026, as amended _____
Washington	Pending
Wisconsin	April 17, 2026, as amended May 28, 2026

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 M

RECEIPTS

ITEM 23 RECEIPT

This Disclosure Document summarizes certain provisions of the Multi-Unit Development Agreement and Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Smashburger Franchising LLC 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, Smashburger Franchising LLC must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under New York and Michigan law, Smashburger Franchising LLC must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale.

If Smashburger Franchising LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: April 17, 2026, as amended May 28, 2026

The Franchisor is Smashburger Franchising LLC, located at 3900 East Mexico Avenue, Suite 1300, Colorado, 80210. Its telephone number is (303) 633-1500. The franchise seller who offered you a Smashburger franchise is:

☐	☐
Smashburger Franchising LLC	Smashburger Franchising LLC
3900 East Mexico Ave, Suite 1300	3900 East Mexico Ave., Suite 1300
Denver, CO 80210	Denver, CO 80210
(303) 633-1500	(303) 633-1500

Smashburger Franchising LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated April 17, 2026, as amended May 28, 2026, that included the following Exhibits:

Exhibit A - State Administrators/Agents for Service of Process	Exhibit G - List of Franchisees Who Have Left the System or Not Communicated
Exhibit B – Franchise Application	Exhibit H - Financial Statements
Exhibit C - Multi-Unit Development Agreement	Exhibit I - Table of Contents to Operations Manual
Exhibit D - Franchise Agreement	Exhibit J – Representations Statement
Exhibit E - Consent to Transfer	Exhibit K - Sample General Release
Exhibit F - List of Franchisees	Exhibit L - State Addenda and Agreement Riders
	Exhibit M - Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity
By: _____
Its: _____
(Print Name): _____

Dated: _____

If an individual:

(Print Name): _____

Dated: _____

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to Smashburger Franchising LLC, Attn: Legal Department, 3900 East Mexico Avenue, Suite 1300, Colorado, 80210; legal.smashburger@smashburger.com.

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	Exhibit M - Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity

By: _____

Its: _____

(Print Name): _____

Dated: _____

If an individual:

(Print Name): _____

Dated: _____

You may keep this copy of the receipt for your own records.