

FRANCHISE DISCLOSURE DOCUMENT

WALK-ON'S ENTERPRISES FRANCHISING, LLC

A Louisiana Limited Liability Company

3960 Burbank Drive

Baton Rouge, LA 70808

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The franchisee will operate a "Walk-On's Sports Bistreaux," which is a Louisiana themed sports grill offering a variety of fresh, cooked to order, menu items such as sandwiches, seafood, Southern Louisiana specialties, hamburgers and salads. We also offer qualifying franchisees the right to develop multiple Walk-On's Sports Bistreaux under an Area Development Agreement.

The total investment necessary to begin operation of a single Walk-On's Sports Bistreaux is from \$1,214,000 - \$4,033,700, including \$90,000 that must be paid to the franchisor or its affiliate. If you enter into an Area Development Agreement, you must pay an Area Development Fee equal to 50% of the applicable Initial Franchise Fee (\$30,000 per Walk-On's Restaurant) multiplied by the total number of Walk-On's Restaurants to be developed.

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 Scott Taylor at 3960 Burbank Drive, Baton Rouge, LA 70808 and (225)-330-4533.

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

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

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

Issuance date: April 16, [2020, as amended October 12, 2020](#).

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
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 C 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 Walk-Ons Sports Bistreaux 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 Walk-Ons Sports Bistreaux franchisee?	Item 20 or Exhibit H 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 D.

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

Special Risks to Consider About *This* Franchise

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

(1) — Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by ~~mediation, arbitration and/or~~ litigation only in East Baton Rouge Parish, Louisiana. Out-of-state ~~mediation, arbitration, or~~ litigation may force you to accept a less favorable settlement for disputes. It may also cost more to ~~mediate, arbitrate, or~~ litigate with the franchisor in East Baton Rouge Parish, Louisiana than in your own state.

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

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Exhibits

A Franchise Agreement and Related Materials

State Addenda to Franchise Agreement

- Exhibit A - Franchised Territory
- Exhibit B - Proprietary Marks
- Exhibit C - Required Lease Rider
- Exhibit D - Confidentiality/Non-Competition Agreement
- Exhibit E - Guarantee
- Exhibit F - Acknowledgement Addendum

B Area Development Agreement and Related Materials

State Addenda to Area Development Agreement

- Exhibit A - Development Territory
- Exhibit B - First Unit Franchise Agreement You and We Will Sign

	Exhibit C	-	Confidentiality/Non-Competition Agreement
	Exhibit D	-	Guarantee
C	Financial Statements		
D	State Administrators		
E	Agents for Service of Process		
F	State Specific Addenda to Franchise Disclosure Document		
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H	List of Current and Former Franchisees		
I	Receipts		

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this Disclosure Document, “we” or “us” means Walk-On’s Enterprises Franchising, LLC, the franchisor. “You” means the individual, corporation or partnership who buys the franchise. If the franchisee will operate through a corporation, limited liability company, partnership or other business entity, “you” also includes the franchisee’s owners or partners. Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit E.

We are a Louisiana limited liability company organized on July 23, 2014. We conduct business under the names “Walk-On’s.” Our principal business address is 3960 Burbank Drive, Baton Rouge, LA 70808. We have been offering franchises for Walk-On’s Sports Bistreaux since October 16, 2014. We have not conducted business in any other line of business. We do not operate any Walk-On’s Sports Bistreaux; however, our affiliate, Walk-On’s Enterprises Operations, LLC, operates Walk-On’s Sports Bistreaux (See below).

Our Parent and Affiliates

Our direct parent, Walk-On’s Enterprises Holdings, LLC, is a Louisiana limited liability company formed in January 2014. Walk-On’s Enterprises ~~Holding Holdings~~, LLC’s principal address is 3960 Burbank Drive, Baton Rouge, LA 70808. Our ultimate parent, Walk-On’s Holdings DE, LLC, is a Delaware limited liability company formed in September 2020. Walk-On’s Holdings DE, LLC’s principal address is 3960 Burbank Drive, Baton Rouge, LA 70808.

Our affiliate, Walk-On’s Enterprises IP, LLC, is a Louisiana limited liability company formed in January 2014. Walk-On’s Enterprises IP, LLC’s principal address is 3960 Burbank Drive, Baton Rouge, LA 70808. In a cross-license agreement dated October 10, 2014, Walk-On’s Enterprises IP, LLC licensed us to use and to sublicense to franchisees the System (as defined below) and Proprietary Marks (as defined below).

Our affiliate, Walk-On’s Enterprises Operations, LLC, is a Louisiana limited liability company formed in September 2003. Walk-On’s Enterprises Operations, LLC’s principal address is 3960 Burbank Drive, Baton Rouge, LA 70808. Walk-On’s Enterprises Operations, LLC has been operating Walk-On’s Sports Bistreaux since September 2003 (See Item 20 regarding company-owned outlets).

Our affiliate, Walk-On’s Enterprises Marketing, LLC (“Walk-On’s Marketing”) is a Louisiana limited liability company formed on April 30, 2015. Walk-On’s Marketing’s address is 3960 Burbank Drive, Baton Rouge, LA 70808. Walk-On’s Marketing administers the System Advertising Fund (the “Fund”) (See Item 11).

Our affiliate, Walk-On’s Enterprises Hotels, LLC (“Walk-On’s Hotels”) is a Louisiana limited liability company formed on April 23, 2019. Walk-On’s Hotels’ address is 3960 Burbank Drive, Baton Rouge, LA 70808. Walk-On’s Hotels owns the Walk-On’s Hotel trademarks and entered into an agreement granting a third-party the exclusive, world-wide right to develop and operate Walk-On’s Hotel complexes, each of which may feature a casino and must feature a Walk-On’s Sports Bistreaux.

Neither our parent nor our affiliates offer franchises in this or any other lines of business, although they may do so in the future. We have no predecessors.

The Walk-On’s System

We and/or our affiliates have developed a proprietary system (the “System”) for opening and operating Walk-On’s Sports Bistreaux (hereinafter, a “Walk-On’s Restaurant”), which are Louisiana themed sports grills offering a variety of fresh, cooked to order, menu items such as sandwiches, seafood, Southern

Louisiana specialties, hamburgers and salads. Walk-On's Restaurants typically operate in interior space ranging between 6,800 to 8,500 square feet with approximately 200 to 300 seats.

The Walk-On's Proprietary Marks

The System makes use of the trademarks and service marks "Walk-On's," "Walk-On's Sports Bistreaux" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks") that we specify now or designate for use in the future in connection with the System.

The Walk-On's Unit Franchise Program and Area Development Program

This Disclosure Document offers two basic types of franchises for Walk-On's Restaurants. For those who wish to operate a single Walk-On's Restaurant, we offer a unit franchise program under which you sign a Franchise Agreement and commit to open one Walk-On's Restaurant (see the Franchise Agreement in Exhibit A). For those who wish to operate multiple Walk-On's Restaurants within a defined Development Territory, we offer an area development program under which you sign an Area Development Agreement and commit to sign separate Franchise Agreements for, and open, a predetermined number of Walk-On's Restaurants according to a Development Schedule and under our then-current form of Franchise Agreement, which may have materially different terms than the Franchise Agreement included in this offering (see the Area Development Agreement in Exhibit B).

Market Competition

The market for your products and services consists of consumers, including sports enthusiasts and families, seeking the high quality food offerings featured on a Walk-On's Restaurant menu. The restaurant market is highly developed, highly competitive and constantly changing. You will compete primarily with other full service sports bars, casual dining restaurants and specialty restaurants. You will compete with local independent and regional chains as well as national chains such as The Yard House, Brickhouse Tavern, Buffalo Wild Wings, BJ's Brewhouse and Chili's. Sales are not generally seasonal. The restaurant business is often affected by changes in consumer tastes, national, regional or local economic conditions, demographic trends, consumer confidence in the economy, discretionary spending patterns, weather conditions, tourist travel, traffic patterns, and the type, number and location of competing restaurants. The ability of each Walk-On's Restaurant to compete depends on its location, ingress and egress, signage, parking, service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

Rules and Regulations

You must comply with all local, state, and federal laws and regulations applicable to the operation of your Walk-On's Restaurant. The restaurant business is subject to extensive federal, state and local government regulations, including regulations relating to food and beverage handling, alcoholic beverage control, the preparation and sale of food, public health and safety, sanitation, waste disposal, smoking restrictions, building zoning and fire codes. Your Walk-On's Restaurant must obtain and maintain food service licenses from local health authorities and licenses from regulatory authorities allowing it to sell liquor, beer and wine. You must comply with all applicable laws, rules and regulations regarding the sale of alcohol. There are other laws and regulations applicable to businesses generally (such as the Americans with Disabilities Act) with which you must comply. You should consult with your attorney concerning all laws and regulations that may affect your Walk-On's Restaurant.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer, Founder, Owner: Brandon P. Landry

Brandon has served as our Chief Executive Officer, Founder and Owner since our formation on July 23, 2014. Brandon has served as Chief Executive Officer, Founder and Owner of: Walk-On's Enterprises Operations, LLC since its formation in September, 2003; Walk-On's Enterprises Holdings, LLC since its formation in January 2014; Walk-On's Enterprises IP, LLC since its formation in January 2014; Walk-On's Enterprises Operations, LLC since its formation in January 2014; and, Walk-On's Marketing since its formation in April 2015.

President, Chief Operating Officer: Scott Taylor

Scott has served as our Chief Operating Officer since our formation on July 23, 2014. Scott has served as President and Chief Operating Officer of: Walk-On's Enterprises Operations, LLC since December 2010; Walk-On's Enterprises Holdings, LLC since its formation in January 2014; Walk-On's Enterprises IP, LLC since its formation in January 2014; and, Walk-On's Marketing since its formation in April 2015.

Owner: Drew Brees

Drew has been one of our Owners since April 2015. Since April 2015, Drew has also been an Owner of: Walk-On's Enterprises Holdings, LLC; Walk-On's Enterprises IP, LLC; Walk-On's Enterprises Operations, LLC; and, Walk-On's Marketing. Drew is also a professional football player for the New Orleans Saints of the National Football League. Since 2011, Drew has also been a franchisee with Jimmy Johns Gourmet Sandwiches and currently operates locations in the greater New Orleans, Louisiana area.

Owner: Rick Farrell

Rick has been one of our Owners since our formation on July 23, 2014. Since July 2014, Rick has also been an Owner of: Walk-On's Enterprises Holdings, LLC, Walk-On's Enterprises IP, LLC; Walk-On's Enterprises Operations, LLC; and, Walk-On's Marketing. Rick has also served as: Chief Executive Officer and Owner of RF Development, LLC in New Orleans, Louisiana since September, 2011; Chief Executive Officer and Owner of Swerve, LLC in Jefferson, Louisiana since February 2011; Chief Executive Officer and Owner of Audubon Trace of Robert, LLC in Ponchatoula, Louisiana since June 2010; Chief Executive Officer and Owner of Alexa Properties, LLC in New Orleans, Louisiana from February 2006 until December 2017; and, Chief Executive Officer and Owner of Paramount Marketing, Inc. in Houston, Texas from January of 1992 until June 2017.

Senior Vice President of Culinary and Supply Chain: Michael Turner

Michael has served as our Senior Vice President of Culinary and Supply Chain since December 2018. Prior to that, from August 2014 until December 2018, Michael served as Vice President of Culinary and Supply Chain since August 2014.

Director of Training: Shauna Reader

Shauna has served as our Director of Training since July 2014.

Senior Director of New Partner Training: Charlie Kelly

Charlie has served as our Senior Director of New Partner Training since December 2019. Prior to that, Charlie served as our Director of New Partner Training since July 2016. Prior to that, beginning in November 2011, Charlie had various management and training roles with Walk-On's.

Senior Director of New Restaurant Opening: Gordon Sizemore

Gordon has served as our Senior Director of New Restaurant Opening since December 2019. Prior to that, Gordon served as our Director of New Restaurant Opening since December 2018. Prior to that, Gordon served as our New Restaurant Opening Manager from August 2018 until December 2018 and New Restaurant Opening Coordinator from January 2018 until August 2018. Prior to that, Gordon served as an Assistant General Manager of a corporately-owned Walk-On's Sports Bistreaux from October 2012 until January 2018.

Vice President of Operations: Tony Caballero

Tony has served as Vice President of Operations since September 2017. Prior to that, beginning in September 2014, Tony served as our Director of Franchise Operations our Director of Franchise Operations. Prior to, from December 2010 through December 2013, Tony was the General Manager of the Walk-On's in Lafayette, Louisiana.

Senior Director of Core Training: Bobby Fradella

Bobby has served as our Senior Director of Core Training since December 2019. Prior to that, Bobby served as our Director of Franchise Operations since December 2017. Prior to that, beginning in September 2016, Bobby served as our Regional Operations Manager. Prior to that, beginning in February 2016, Bobby served as a training General Manager for Walk-On's. Prior to joining Walk-On's Enterprises, from February 2001 to September 2016 Bobby served as a Multi-Unit Manager for Brinker International based in Covington, Louisiana.

Director of Franchise Operations: Justin Conklin

Justin has served as our Director of Franchise Operations since December 2019. Prior to that, Justin served as our corporate Regional Franchise Coach from January 2018 until December 2019. Prior to that, Justin served as General Manager of a corporately-owned Walk-On's Sports Bistreaux from August 2016 until December 2018 located in Houma, Louisiana. Prior to joining Walk-On's Enterprises, from August 2014 until August 2016, Justin served as a General Manager for Brinker International based in Thibodaux, Louisiana.

Director of Franchise Sales and Real Estate: Kelly Parker

Kelly has served as our Franchise Sales Director since December 2018. Prior to that, Kelly served as our Manager of Franchise Sales and Real Estates from February 2017 until December 2018. Prior to that, from July 2014 through February 2017 Kelly was the Marketing Manager for Walk-On's.

Director of Franchise Compliance and Integration: Jeanne Hunt

Jeanne has served as the Director of Franchise Compliance and Integration since December 2018. Prior to that, Jeanne served as our Manager of Franchise Compliance and Integration from October 2016 until December 2018. Prior to that, from February 2014 to October 2016, Jeanne served as HR manager for Walk-On's.

ITEM 3

LITIGATION

There is no litigation that must be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

The Initial Franchise Fee for one Walk-On's Restaurant is \$60,000. You must pay the Initial Franchise Fee in lump sum on the date you sign the Franchise Agreement, unless you sign an Area Development Agreement, as described below. The Initial Franchise Fee is fully earned when paid and it is not refundable under any circumstances. During the fiscal year ending December 25, 2019, we charged a discounted franchise fee of \$30,000 for a veteran-owned franchise located on a military base.

Area Development Fee

If you enter into an Area Development Agreement, you must pay an Area Development Fee equal to 50% of the applicable Initial Franchise Fee (\$30,000 per Walk-On's Restaurant) multiplied by the total number of Walk-On's Restaurants to be developed. You must pay the Area Development Fee in lump sum on the date you sign the Area Development Agreement. The Area Development Fee is fully earned when paid and it is not refundable under any circumstances.

For each Walk-On's Restaurant you are required to develop under the Area Development Agreement, you will receive a credit of \$30,000 against the Initial Franchise Fee due when you sign the Franchise Agreement for the particular Walk-On's Restaurant. The Initial Franchise Fees are fully earned when paid and are not refundable under any circumstances.

Grand Opening Marketing Fee

You must pay us the Grand Opening Marketing Fee of \$30,000 on the date you sign the Franchise Agreement. We will use the Grand Opening Marketing Fee to pay for promotional, publicity and marketing efforts in support of your Walk-On's Restaurant's opening. Such efforts may include traditional and non-traditional media placement, local marketing and publicity programs, and in-kind trade efforts. The Grand Opening Marketing Fee is only refundable if you do not open your Walk-On's Restaurant.

If you enter into an Area Development Agreement, you must pay the Grand Opening Marketing Fee at the time you sign the Franchise Agreement for each Walk-On's Restaurant developed under the Area Development Agreement.

Additional and Subsequent Trainee Fee

The cost for up to 6 people to attend the Initial Training Program is included in the Initial Franchise Fee. If you wish to send additional or subsequent people to the Initial Training Program, you must pay us \$5,000 per additional trainee prior to the commencement of the Initial Training Program. All additional and/or subsequent trainee fees are fully earned when paid and are not refundable under any circumstances.

Except as disclosed in this Item 5, you pay us or our affiliates no other fees or payments for services or goods before your Walk-On's Restaurant opens.

ITEM 6 OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Continuing Royalty	5% of Gross Revenues. See Note 1.	Payable weekly for the 7-day period beginning on Thursday and ending on the following Wednesday (the "Weekly Royalty Period"). The Continuing Royalty is due on the Monday following the end of the Weekly Royalty Period via ACH.	"Gross Revenues," which includes all revenues from your Walk-On's Restaurant, is fully defined in Item 19 and the Franchise Agreement, Section 5.04. Royalty percentage will not change during term of Franchise Agreement.
System Advertising	2% of Gross Revenues. See Note	Same as Continuing	System Advertising Contribution percentage will not change during term of Franchise

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Contribution	1.	Royalty.	Agreement.
Required Minimum Expenditure for Local Advertising	1% of Gross Revenues per month starting in your second month of operation.	Monthly.	The required monthly expenditure percentage will not change during term of Franchise Agreement.
Regional Advertising Cooperative	If cooperative formed: Minimum – 1% of Gross Revenues; Maximum – 3% of Gross Revenues.	Established by Regional Advertising Cooperative.	We may form a Regional Advertising Cooperative for your area. Walk-On's Restaurants owned by us or our affiliates will have the same voting rights and contribute at the same rate as franchisees to a Regional Advertising Cooperative.
Proprietary Products	See Note 2.	When you place orders for products.	If we develop them in the future, you must buy proprietary products from us, our affiliate or designee.
Ongoing Fees for Required Software Providers	Estimated to be \$300 per month.	Monthly.	Certain vendors of required software platforms charge us ongoing fees, which we pay on your behalf and for which you are required to reimburse us. This includes software for your inventory platform and gift card and customer loyalty program. We may, at any time, require that you pay these ongoing fees directly to the vendors.
Testing fee	Varies depending on the reasonable expenses we incur in testing the product or service you propose.	When we request.	We may test the product or service of any supplier you propose. Fee for testing pays for our expenses.
Initial Training	All living and transportation expenses of all trainees. The amounts are unknown and may vary depending upon factors such as the third-party supplier selected and your distance from training. Additional and	Expenses as incurred. Fee for additional or subsequent trainees due before beginning of training.	The cost for up to 6 people to attend the Initial Training Program is included in the Franchise Fee. You, however, must pay all living and transportation expenses for all of your trainees. All Operating Partners and Walk-On's Restaurant Managers you appoint later must also pass the Initial Training Program, for which the additional and subsequent trainee charge of \$5,000 per person will be due (you will also have to pay all living and transportation expenses for additional and subsequent trainees).

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	subsequent trainee charge: \$5,000 per person.		
Franchisee Orientation	All lodging and transportation expenses for you and your required management personnel. The amounts are unknown and may vary depending upon factors such as third-party suppliers you select and your distance from Orientation.	As incurred.	Prior to opening your Walk-On's, you and your management personnel that we require must attend and complete a 1-day new franchisee orientation at a site we designate.
Walk-On's U and Operations Validation	All living and transportation expenses of your Operating Partner and entire management team. The amounts are unknown and may vary depending upon factors such as the third-party supplier you select and your distance from training.	As incurred.	After the completion of the Initial Training Program and before the opening of your Walk-On's Restaurant, your Operating Partner and entire management team must attend and complete the 3-day Walk-On's U.
Store Opening Participation	All living and transportation expenses incurred in store opening participation. The amounts are unknown and may vary depending upon factors such as the third-party supplier you select and your distance from the opening.	As incurred.	Prior to the opening of your Walk-On's Restaurant, we may request that you and/or your Operating Partner and management team participate in the opening of another Walk-On's Restaurant.
On-Site Training and Assistance	Then-current daily wages and per diem,	When we request.	You can request on-site training and/or assistance at any time. The franchise

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	plus costs of travel and lodging, for each trainer sent. Current daily wage of our trainers varies, but averages \$134 per day per trainer; current per diem is \$15 per day per trainer.		agreement does not require us to provide it.
Opening Training Team Expenses	Then-current daily wages and per diem, plus costs of travel and lodging, for each member of the Opening Training Team. Current daily wage of our trainers varies, but averages \$150 per day per trainer; current per diem is \$15 per day per trainer.	When we request.	We provide the Opening Training Team for up to 19 days at no cost to you. If, however, we determine in our sole discretion that all or a portion of the Opening Training Team must remain beyond the allotted 19 days in order to provide continued assistance, you must pay all wages and expenses for the Opening Training Team to remain.
On-Going Training	Expenses only.	As incurred.	We may from time to time develop additional training programs which you (if an individual), your Operating Partner and your Walk-On's Restaurant Manager must attend and successfully complete. We may also hold an annual conference, convention or required training sessions. You, your Operating Partner and your Walk-On's Restaurant Manager must attend. You pay us no training charge, but you must pay all living and transportation expenses of your trainees who attend.
Insurance	Varies. See Note 3.	As insurance carrier requires.	Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may pay premiums and charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience.
Relocation	\$5,000 or such greater amount necessary to reimburse us for any reasonable costs we incur in considering your request.	On demand.	
Taxes	Varies.	Promptly when due.	You must pay us all taxes we pay, except for our corporate income taxes, due to goods or services we furnish to you, the Initial Franchise Fee or Continuing Royalties.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Advances	Varies.	When we request.	You must pay us all amounts we advance to third parties for you.
Late Charge	Maximum law allows, or if no legal maximum, then 4% above prime rate.	When we request.	You must pay late charge on any past due amounts to us. We will not increase charge beyond formula in column 2 during term of Franchise Agreement.
Audit Expenses	Varies.	As incurred.	See Note 4.
Successor Agreement Fee	25% of the then-current Initial Franchise Fee.	Before we sign successor agreement.	
Transfer Fee	One-half of the then-current initial franchise fee (currently, \$30,000)	Before we approve the transfer.	
Management Fee on Death or Disability	Greater of (a) two times the salary paid to individual(s) we assign to operate the Walk-On's Restaurant, or (b) 10% of the Walk-On's Restaurant's weekly Gross Revenue.	See Remarks.	From your death or disability or the death or disability of your last surviving owner (if you are a business entity), until a new Walk-On's Restaurant Manager assumes control, we may operate a Walk-On's Restaurant, but will have no obligation to do so. If we do, then we will deduct our expenses from the Walk-On's Restaurant's Gross Revenues and pay ourselves the management fee shown in column 2. Management fee will be in addition to Continuing Royalties due us. We will remit any remaining funds to your Estate. Estate must pay us any deficiency in sums due us under Franchise Agreement within 10 days of our notifying Estate of deficiency.
Indemnification of Us	Varies. The losses and expenses incurred by us.	On demand.	You indemnify us from certain losses and expenses. See Section 8.11 of the Franchise Agreement.
Application of Funds			We can apply your payments to the oldest obligation due.
Attorneys' and Experts' Fees, Court Costs	The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and experts selected and		See Note 5.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	the court costs.		
Collection Costs and Expenses	Varies.	On demand.	You must reimburse us for collection costs and expenses we incur including, but not limited to, costs and commissions paid to a collection agency, reasonable attorney's fees, costs incurred in creating or replicating reports demonstrating Gross Sales, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
Replacement Fee	\$75,000 See Note 6.	On demand.	You must pay this fee if you fail to obtain our written permission before hiring any of our personnel, the personnel of any of our affiliates or the personnel of any other Walk-On's Restaurant, which permission we may grant, deny or condition in our sole discretion.
EcoSure	\$365.	On demand.	We pay for quality inspection tests performed by EcoSure. If you fail to meet our required passing percentage rate (which is currently 80%) you must reimburse us for the cost of the test.

Notes

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

1. The Continuing Royalty is payable each Monday based on the Gross Revenues for the preceding Weekly Royalty Period. All Continuing Royalty and System Advertising Contribution payments to us under the Franchise Agreement must be made by ACH or other similar technology we designate. The Continuing Royalty for the Gross Revenues generated from approved gaming machines will be made by ACH on the first Monday of the month for the preceding month. You do not have to pay a System Advertising Contribution on Gross Revenues generated from approved gaming machines. You must pay all costs of electronic funds transfer or other similar technology we designate. If a state or local law in which your Walk-On's Restaurant is located prohibits or restricts in any way your ability to pay and our ability to collect the Continuing Royalty and/or the System Advertising Contribution derived from the sale of alcoholic beverages at your Walk-On's Restaurant (an "Alcohol Restriction Law"), you will be required to pay whatever increased percentages of all Gross Revenues and/or System Advertising Contributions not deriving from the sale of alcohol necessary so that the Continuing Royalty and System Advertising Contribution you pay equals the Continuing Royalty and System Advertising Contribution you would pay if you were not subject to an Alcohol Restriction Law.

2. You must buy any proprietary products from us, our affiliate or designee. We (or our affiliates or designees) will sell you proprietary products under terms we develop and advise you of periodically. We may earn a profit on the sale of proprietary products to you.

3. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed in the Manual or otherwise in writing and are subject to change. If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty to do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for them. We can change the required coverages and amounts.

4. If we audit your Walk-On's Restaurant and find that you understated the Gross Revenues on the weekly or monthly statements you submitted to us by 2% percent or more for any month or for the entire period when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 4% percent above the prime rate. Otherwise, we must pay the cost of the audit. If you understated your Gross Revenues by 8% or more for any month or for the entire period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit. If you understated your Gross Revenues by less than 2% percent for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit. The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

5. In certain circumstances, as specifically enumerated in the Franchise Agreement, you will be required to reimburse us for our reasonable attorneys' fees, experts' fees, court costs and all other expenses incurred in connection with any action instituted to secure or protect our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action against us begun or joined in by you. If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement or your Walk-On's Restaurant as a result of any act or omission of yours or the Walk-On's Restaurant, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur. If we terminate the Franchise Agreement for your default, or if you terminate the Franchise Agreement through non-payment, in addition to damages, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

6. During the term of the Franchise Agreement and for two (2) years following its termination or expiration, you agree not to solicit for employment or hire our personnel, the personnel of any of our affiliates or the personnel of any other Walk-On's Restaurant without first obtaining any written permission from us and the employer(s) of the personnel in question. If you fail to obtain written permission, which permission we may grant, deny or condition in our sole discretion, you will be required to pay us a fee of \$75,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT*

YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT OF ONE WALK-ON'S RESTAURANT

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee See Note 1	\$60,000.	Lump Sum	At signing of Franchise Agreement	Us
Initial Training Program Expenses See Note 2	\$20,000 to \$30,000	See Note 2	As incurred See Note 2	Us or Trainees
Opening Team Training Expenses	\$0 to \$50,000	See Note 3	As incurred See Note 3.	Training Personnel
Management Salary Expense	\$120,000 to \$130,000	See Note 4	When we request	Management Personnel
Hiring Trailer	\$5,000	See Note 5	As supplier requests	Supplier
Real property See Note 6				
Construction and Leasehold Improvements See Note 7	\$0 to \$2,400,000	See Note 7	As contractor requires	Contractor
Equipment See Note 8	\$344,000 to \$430,000	See Note 8	As supplier requires	Supplier
Furniture and Fixtures See Note 9	\$60,000 to \$100,000	See Note 9	As supplier requires	Supplier
Hand Wares and Small Appliances See Note 10	\$85,000 to \$95,000	See Note 10	As supplier requires	Supplier
Computer, Television Audio and Point of Sale Systems See Note 11	\$248,500 to \$334,200	As supplier requires	As supplier requires	Supplier

* Unless otherwise stated, none of the expenses on these charts are fully refundable.[]

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Inventory to begin operating See Note 12	\$35,000 to \$50,000	As supplier requires	As supplier requires	Supplier/our affiliate
Rent Deposit See Note 13	\$15,000 to \$30,000	Lump Sum	As landlord requires	Landlord
Security deposits, utility deposits, business licenses, and other prepaid expenses See Note 14	\$1,000 to \$7,500	As agency requires	As agency requires	Agency
Liquor License See Note 15	Varies	As arranged	As arranged	Appropriate state/local authorities or third parties
Professional Fees See Note 16	\$8,000 to \$19,000	As you agree with accountant/attorney	As you agree with accountant/attorney	Accountant/Attorney
Signs See Note 17	\$20,000 to \$75,000	As supplier requires	As supplier requires	Supplier
Architect and Engineering Fees See Note 18	\$67,500 to \$93,000	As architectural firm requires	As architectural firm requires	Architectural firm
Grand Opening Marketing Fee See Note 19	\$30,000	Lump Sum	At signing of Franchise Agreement	Us
Pre-Opening Labor See Note 20	\$45,000	As expenses occur	Payroll weekly	Employees
Additional funds (initial period – 3 months) See Note 21	\$50,000	As expenses occur	After opening	Various
TOTAL \$1,214,000 to \$4,033,700 (excluding building and real property)				

Notes

1 ~~(1)~~ The Initial Franchise Fee is non-refundable. Except with respect to the Grand Opening Marketing Fee (see Note 18 below), none of the fees shown on the above tables are refundable unless a supplier has a refund policy of which we are not aware.

2. We provide the Initial Training Program for six individuals at no charge. The charge for additional or replacement attendees for the Initial Training Program is \$5,000 per person. You pay all your trainees' living and transportation expenses. Travel expenses depend on where your home base is located, whether you and your trainees can commute by car to our training base, and the number of people receiving the Initial Training Program. Lodging and food expenses depend on number of people being trained and the class of accommodation. You are required to independently ensure that all of your personnel complete any state and local required food safety training (for example, ServeSafe Food Safety Training).

3. If you are opening your first Walk-On's Restaurant, we will provide an Opening Training Team, for a maximum of 19 days, prior to and immediately following the opening of your Walk-On's Restaurant at no charge. The low end of this estimate is for your first Walk-On's Restaurant when we provide the Opening Training Team at no charge. The high end of this estimate is for subsequent Walk-On's Restaurant where we decide, in our sole discretion, that you must procure the Opening Training Team from one of your existing Walk-On's Restaurants and pay for the training team members including, but not limited to, daily wages, costs of travel (if applicable), lodging and a per diem for each training team member. In addition, if we determine, in our sole discretion, that additional on-site assistance is necessary after the opening of a Walk-On's Restaurant, you must pay all expenses of keeping all or a portion of the Opening Training Team at your Walk-On's Restaurant beyond the allotted 19 days, including, but not limited to, daily wages, costs of travel (if applicable), lodging and a per diem for each member.

4. The management salary reflects your Operating Partner being hired 7 months prior to opening, your executive kitchen manager being hired 6 months prior to opening, and the additional management team hired 90 days prior to opening. The range may be higher or lower based on the cost of labor in your area, the amount that you pay your management team, and benefits you offer your management team.

5. You must rent a trailer to assist with interviewing and hiring your initial staff prior to opening. The hiring trailer must be a job site trailer, approximately 10'x44'. The trailer will need two offices, a community area and have a restroom with the sanitary waste holding tank service. The hiring trailer must be set up no later than 6 weeks prior to opening.

6. If you do not have acceptable space for your Walk-On's Restaurant, you will have to lease at least 6,800 to 8,500 square feet of suitable space. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent, but monthly rental costs may range from approximately \$25.00 to \$35.00 per square foot, if not more, in Louisiana. In addition, the difference in rental cost per foot will vary depending on additional building allowances or build to suit scenarios. If you negotiate a "build to suit" (defined in Note 7 below) scenario for your Walk-On's Restaurant, the monthly rental costs may increase to between \$45.00 and \$50.00 per square foot, if not more. To estimate the rental expense for your Walk-On's Restaurant, apply the above square footage requirements to the local real estate rental costs in the area where your Walk-On's Restaurant will be located, taking into account any build to suit scenario you may negotiate. It is assumed that you will rent the space for your Walk-On's Restaurant. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for your Walk-On's Restaurant already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying, so we cannot estimate the cost of purchasing real estate.

7. These estimates, which are indicative of standard pricing in or near Baton Rouge, Louisiana, are for the improvement of a Walk-On's Restaurant with approximately 8,500 square feet and (i) on the low end of the range, are for a property that has been "built to suit" by a landlord/developer (see Note 6 above for the increased rental costs associated with a "build to suit" scenario) and (ii) on the high end of the range, are for ground up construction of a Walk-On's Restaurant. A "build to suit" scenario is when the landlord/developer has already made certain improvements to a "vanilla box" site before your occupancy, including all non-movables such as: flooring (kitchen – epoxy/MMA, dining – LVT, patio – stained concrete); interior/exterior millwork (wood plank cladding of wall, banquet, beer tap booths, banquet seating

& tower cladding); ornamental steel (interior hostess stand/AV closet, scoreboards for TV mounts, bar island & hanging “hat” structure & metal wall cladding panels); walk-in cooler & freezer (including keg cooler); hood & ventilation (cook line, prep line and dish room); beer distribution system (lines, overhead & sub-floor chase, pump, tap tower & table taps); restroom finishes (custom toilet partitions & specified tile); sectional overhead doors & exterior finishes (masonry, corrugated metal, Hardie board, building lighting, fan, tower wood planks & graphics); and, interior finishes (lighting, fans, FRP – kitchen, paint – walls & ceiling & masonry). A “conversion” scenario is when you convert an existing restaurant into a Walk-On’s Restaurant.

8. We will provide you with a set of typical preliminary plans and specifications for furniture, fixtures, equipment and/or décor. These figures represent the purchase of the kitchen production equipment, such as deep fryers, refrigeration, steel tables and work surfaces, gas ranges, and ice makers that are necessary to produce all menu items. The range of cost recognizes instances when kitchen configurations differ, and our staff may recommend different pieces, sizes or models. Third party financing may also be available to qualified candidates, however, this too with all general various leasing or finance fees that would be incremental to the amounts listed here.

9. The range of costs for furniture and fixtures covers the purchase of tables, chairs and various items of décor that will be installed into a Walk-On’s Restaurant designed to seat 200 to 300 people.

10. Hand wares are mechanical kitchen tools, small appliances, kitchen utensils, storage containers and cleaning equipment, as well as other items that would not be considered on their own as major equipment purchases. This range of expense also includes the cost of employee uniforms.

11. You must purchase the Computer and Point of Sale Systems (as defined in Item 11 under the heading “Computer and Point of Sale Systems”). You must obtain high-speed communications access for your Computer and Point of Sale Systems. The estimate in the table covers the purchase of the Computer and Point of Sale Systems, LED television screens, camera system and a music system. The difference between the high and the low estimate reflects instances when additional LED screens or thermal printers are necessary for the configuration of the order counter and the kitchen.

12. The initial inventory to open your business includes all food, cleaning products and packaging necessary to open the Walk-On’s Restaurant.

13. This range of expense assumes a prepayment of three months of rent, based upon a Walk-On’s Restaurant with between 6,800 to 8,500 square feet of interior space. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent. These estimated monthly lease rental amounts are indicative of a location with a range of an annual leasing rate of between \$20.00 and \$35.00 per square foot. Pre-paid rent is generally non-refundable, while security or other deposits may be refundable either in full, or in part, depending upon the lease contract.

14. This is an estimate of various deposits, licenses, and other charges that are typically paid in cash. Utility deposits may be required and the issuing company may request a credit check before beginning services and a higher deposit for first time customers. These costs will vary and are due to the type of services required for the facility and the municipality from which it is being contracted. We recommend that you check the requirements in your local area. This estimate is also for the cost of deposit in order to obtain the minimum required insurance. You will need to check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Walk-On’s Restaurant will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums. You are also responsible for obtaining and maintaining all required permits and licenses necessary to operate the Walk-On’s Restaurant. You will also need to check with the governing authorities regarding these requirements.

15. It is solely your responsibility to obtain and maintain a liquor license. The cost of a liquor license can be significantly higher in states where the number of licenses is severely restricted or available only from an existing holder. You should retain legal counsel specialized in obtaining and maintaining liquor licenses.

16. These fees are representative of the costs for engagement of professionals for the start-up of a Walk-On's Restaurant. We also strongly recommend that you seek the assistance of attorneys and accountants for the initial review and resulting advisories concerning this franchise opportunity, this Disclosure Document, and subsequently, the Franchise Agreement and, as applicable, the Area Development Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as a part of starting your Walk-On's Restaurant. It is best to ask your professional advisors for a fee schedule before engaging them to perform any services on your behalf.

17. This is an estimate of the cost to produce signage (one building fascia sign) for the outside of the building as well as interior signage. The low estimate covers the fabrication of standard signage, with an individually lighted channel letter configuration, while the high estimate takes into consideration a larger sign fabrication, as well as the configuration of the building, zoning laws and requirements, and restrictions imposed by your landlord.

18. We may provide you with a sample layout for the interior of a typical Walk-On's Restaurant; however, you will need to engage a licensed architect to adapt our sample layout to your Walk-On's Restaurant, complete and finalize your plans and receive our final approval for same. If required in your locality to submit them to the local municipality for review and approval, we must review them to assess their conformity to our requirements and could return them to your architect for additional modifications. Any modifications may incur further services by your architect, and these services may likely incur higher fees. You are responsible for ensuring that the plans meet all state and local requirements including ADA. Your exact costs will depend on the architect you select.

19. You must pay the Grand Opening Marketing Fee of \$30,000 on the date you sign the Franchise Agreement. We will use the Grand Opening Marketing Fee to pay for promotional, publicity and marketing efforts in support of your Walk-On's Restaurant opening. Such efforts may include traditional and non-traditional media placement, local marketing and publicity programs, and in-kind trade efforts. The Grand Opening Marketing Fee is fully earned when paid and is only refundable if you do not open your Walk-On's Restaurant.

20. This estimate includes the expenses incurred in the training of hourly employees plus one Walk-On's Restaurant Manager and one Operating Partner. The range may be higher or lower based on the cost of labor in your area, the amount that you pay your staff, benefits you offer employees, and the number of employees you hire.

21. This is an estimate of the additional funds you may need to operate your Walk-On's Restaurant during the first three months after opening. We cannot guarantee that you will not have additional expenses in starting the Walk-On's Restaurant. The estimate includes such items as initial payroll taxes, ongoing Continuing Royalties, System Advertising Contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, depreciation and amortization, deposits and prepaid expenses (if applicable) and other unforeseen miscellaneous items. The expenses you incur during the initial start-up period will depend on factors such as the time of year you open, local economic and market conditions, your experience and business acumen, competition, and the sales level you reach during this initial period. Additional operating expenses will be incurred in connection with the ongoing operation of your business.

22. In compiling the above estimates for the development of one Walk-On's Restaurant, we rely on our affiliates' experience in opening and operating Walk-On's Restaurants. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market

conditions, the time it takes to build sales of the establishment, and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your creditworthiness, collateral that you may make available, and the policies of local lending institutions.

YOUR ESTIMATED INITIAL INVESTMENT

DEVELOPMENT OF FOUR OR MORE WALK-ON'S RESTAURANTS UNDER AREA DEVELOPMENT AGREEMENT

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Area Development Fee	\$120,000 to \$180,000 See Note 1.	Lump Sum	At signing of Area Development Agreement	Us
TOTAL	\$120,000 to \$180,000 (Notes 2 and 3) (excluding real property)			

Notes

(1) The low end of the Area Development Fee is for 4 Walk-On's Restaurants (but this is not a minimum) and the high end is for 6 Walk-On's Restaurants (but this is not a maximum).

(2) If you enter into an Area Development Agreement, you will be required to pay us an Area Development Fee in full upon your execution of same. The Area Development Fee is equal to 50% of the applicable Initial Franchise Fee (\$30,000 per Walk-On's Restaurant) multiplied by the aggregate number of Walk-On's Restaurants to be opened. The Area Development Fee, therefore, varies depending on the specific number of Walk-On's Restaurants you agree to open within your Development Territory (as set forth in the Area Development Agreement). The Area Development Fee is fully earned when paid and it is not refundable under any circumstances.

(3) For each Walk-On's Restaurant you will operate under the Area Development Agreement, in addition to the Area Development Fee, you must make the additional initial investment described above for each Walk-On's Restaurant you develop. For each Walk-On's Restaurant you develop under the Area Development Agreement, you will receive a credit of \$30,000 against the applicable Initial Franchise Fee due when you sign the Franchise Agreement for the particular Walk-On's Restaurant. You will pay the Grand Opening Marketing Fee at the time you sign the Franchise Agreement for each Walk-On's Restaurant you develop. You should be aware that the initial investment (the estimates of which are disclosed in the Item 7 tables above) for your second and subsequent Walk-On's Restaurants will likely be higher than for your first Walk-On's Restaurant due to inflation and other economic factors that may vary over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must only use in your Walk-On's Restaurant ingredients, food products, spices, seasonings, mixes, beverages, materials, supplies used in the preparation of food products, furniture, fixtures, equipment, digital sound and AV equipment, smallwares and other materials that meet our standards and specifications. You must offer for sale in your Walk-On's Restaurant all menu items and services we specify, and only those menu items and services we specify. We may also specify certain items of clothing (such as t-shirts, sweat

shirts, jackets, caps and similar items), souvenirs and other novelty items bearing our Proprietary Marks which must be offered in your Walk-On's Restaurant and purchased from designated or approved suppliers.

You are not currently required to purchase or lease any products necessary to establish and operate your Walk-On's Restaurant from us; however, you are currently required to purchase or lease certain products in accordance with our specifications and from suppliers we designate or approve. Reinhart Food Service is currently our required food distributor, Rockbot is our required music system, Fintech is our required alcohol electronic payment system, EcoLab is our required vendor for dish washing machines and chemicals, and Edward Don is our required small wares distributor. Any vendor that sells produce must be an approved Pro*Act member.

Our recommended vendor for approved gaming machines is "Preferred Gaming." If you obtain our written approval to use another gaming vendor, such vendor must agree to provide us with monthly reports showing all revenue generated for such month from the gaming machines in your Walk-On's Restaurant, which revenues are included in Gross Revenues (Franchise Agreement, Section 5.04). The Continuing Royalty for the Gross Revenues generated from the gaming machines will be paid by ACH on the first Monday of the month for the preceding month.

In addition, while you are currently required to purchase proprietary products from suppliers we designate, we may require that you purchase proprietary products from us in the future. Currently, there are no items for which we or our affiliates are approved suppliers or the only approved suppliers. None of our officers own any interest in an approved supplier; however, our CEO's wife is employed by our third-party designated tenant representative, Momentum Commercial Real Estate of Baton Rouge.

If we have designated an approved supplier, you may contract with an alternative supplier if you meet our criteria and obtain our written approval. We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. We may examine any factor in making the determination as to whether to approve a supplier you propose. To request our written approval for the alternative supplier, you must submit a written request to us for review. The supplier must meet our specifications to our reasonable satisfaction. The supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service. We may test, at your expense, the product or service of any supplier you propose. We will give you notice of our approval or disapproval within 45 days. If we revoke approval of any supplier, we will give you written notice (in our Manual or otherwise).

We will provide you with specifications governing the minimum standards of certain products, services or equipment you procure in our Manual or in other written notices we transmit to you. We may modify our specifications in writing, and may add new specifications in writing. You may purchase these items from any supplier whose product, service or equipment meets our specifications. We may issue and modify specifications in writing, through our Manual or other written notices to franchisees.

You must procure and install the Computer and Point of Sale Systems we require at each Walk-On's Restaurant you operate. See Items 7 and 11. We do not currently have any proprietary computer software that you are required to use. If we develop, or have developed on our behalf, proprietary computer software in the future, you will be required to use such software and sign our then-current software license agreement. We will provide any such proprietary computer software to you at no charge; however, you will be required to pay for any future updates or revisions. You must also participate in any electronic gift card program (which may be integrated into the Computer and Point of Sale Systems) we establish and provide related services such as gift card issuance, redemption, reloading and balance inquiry.

You must purchase at your expense, and maintain in effect at all times, at least the following categories of insurance coverage in forms and through insurance carriers that possess a Best's Financial Strength Rating no lower than A- and Financial Size Category no lower than XIII: (1) Comprehensive General Liability with limits no less than \$1,000,000 Per Occurrence, and \$2,000,000 General Aggregate, including Personal & Advertising Injury and Products & Completed Operations; (2) Liquor liability coverage of at least

\$1,000,000 Each Common Cause; (3) Special form Commercial Property Insurance on a 100% Replacement Cost Basis; (4) Business interruption insurance in sufficient amounts to cover your Walk-On's rental expenses, previous profit margins, maintenance of competent personnel and other fixed expenses for a minimum of 120 days; (5) Hired & Non-Owned Automobile Liability with limits no less than \$1,000,000 Combined Single Limit for Bodily Injury & Property Damage (If a vehicle is owned or leased to be used in conjunction with the operation of your Walk-On's, Owned or Scheduled Auto Liability is required with a \$1,000,000 Combined Single Limit); (6) Workers Compensation insurance including Employers Liability with limits no less than \$1,000,000 Each Accident, \$1,000,000 Disease – Each Employee and \$1,000,000 Disease – Policy Limit; (7) In connection with the construction, refurbishment, renovation or remodeling of your franchised Walk-On's, Builders' Risk insurance to cover 100% Replacement Value of the completed construction value or renovations and Performance and Completion Bonds in amounts acceptable to us; (8) Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement; (9) Commercial Umbrella with a limit no less than \$1,000,000 per occurrence; (10) Employment Practices Liability Insurance with a limit no less than \$1,000,000 per occurrence, including first and third-party coverage. You must name us and additional parties we designate as additional insureds under your policies.

We may enter into systemwide supply contracts with one or more vendors of products, services or equipment that all company-owned and franchised Walk-On's Restaurants in a geographic area are required to use or sell (each, a "systemwide supply contract"). If we enter into any systemwide supply contract for your geographic area, then immediately upon notification of this, you, we and all franchisees in your geographic area must purchase the specified products, services or equipment only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another supplier for the product, service or equipment in question, then your obligation to purchase from our designated supplier will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We make no representation that we will enter into any systemwide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same products, services or equipment at a lower price from another supplier. We may add to, modify, substitute or discontinue systemwide supply contracts or exclusive supply arrangements at any time.

We have negotiated national account pricing on Coca-Cola® products. Accordingly, you may serve only Coca-Cola® soft-drinks, juices, bottled water and like beverage products at your Walk-On's Restaurant. We have also negotiated national account pricing on Dr. Pepper® and Red Bull®, which you are required to serve. The product specifics are outlined in our beverage menu specifications.

We may, in the future, require you to offer additional beverages from other approved or designated suppliers. We have negotiated numerous food contracts for the benefit of the system. We do not currently negotiate any other purchase arrangements with suppliers for the benefit of franchisees, but we may in the future. There are currently no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources; however, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us to terminate the Franchise Agreement.

We and our affiliates may receive rebates from approved and designated suppliers in connection with purchases from company-owned and franchised Walk-On's Restaurants. Such rebates are typically based upon the amount of product ordered (for most beverages, the rebate is based on the number of gallons of soda purchased, typically ranging from \$2.90 to \$2.95 per gallon, and for most food products, the rebate is based on the number of cases of product purchased, and varies from \$0.45 per case on a monthly basis, \$0.28 per case on a semi-annual basis, to \$3.00 per case for purchases of certain recipe-owned items). In limited circumstances, we or our affiliates may receive a flat rebate amount.

In the fiscal year ending December 25, 2019, our affiliate Walk-On's Marketing received \$957,653.26 in rebates from approved and designated suppliers for company-owned and franchised Walk-On's Restaurants

and it received \$782,060.72 from approved and designated suppliers as conference sponsorships. All conference sponsorships received are spent on the annual conference. In the fiscal year ending December 25, 2019, our parent Walk-On's Enterprises Holdings, LLC received \$189,000 in rebates from approved and designated suppliers of certain recipe-owned items for franchised Walk-On's Restaurants. Except as described above, neither we nor our affiliates received any other revenue or rebates based on franchisees' required purchases.

We estimate that approximately 85% of your expenditures for purchases and leases in establishing and operating your Walk-On's Restaurant will be for goods and services which are subject to sourcing restrictions (that is, for which the suppliers and products must be designated by us, approved by us, or which must meet our standards or specifications).

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Franchise Agreement

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 6 of Franchise Agreement, Exhibit C of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases/leases	Sections 6.02, 8.08 and 8.09 of Franchise Agreement	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6 of Franchise Agreement	Not Applicable
d. Initial and ongoing training	Sections 7.02 - 7.04 of Franchise Agreement	Item 11
e. Opening	Section 8.01 of Franchise Agreement	Item 11
f. Fees	Article 5, Sections 13.01 and 14.04 of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Article 8 - 10 of Franchise Agreement	Items 7, 8, 11, 15 and 16
h. Proprietary Marks and proprietary information	Articles 12, 15 and 18 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 3.03 and 8.08 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Not Applicable	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12

	Obligation	Section in Agreement	Disclosure Document Item
l.	Ongoing product/service purchases	Section 8.08 and 8.09 of Franchise Agreement	Items 6 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 6.05, 6.06, 13.01, 14.04 of Franchise Agreement	Item 11
n.	Insurance	Article 9 of Franchise Agreement	Item 6
o.	Advertising	Article 10 of Franchise Agreement	Item 11
p.	Indemnification	Section 8.11 of Franchise Agreement	Item 6
q.	Owner's participation/management/staffing	Sections 8.07 and 8.19 of Franchise Agreement	Item 15
r.	Records and reports	Article 11, Sections 5.05 and 7.06 of Franchise Agreement	Item 6
s.	Inspections and audits	Sections 8.12, 11.02 of Franchise Agreement	Item 6
t.	Transfer	Article 14 of Franchise Agreement	Item 17
u.	Renewal	Article 13, Section 4.02 of Franchise Agreement	Item 17
v.	Post-termination obligations	Article 18 of Franchise Agreement	Item 17
w.	Non-competition covenants	Article 12 of Franchise Agreement	Item 17
x.	Dispute resolution	Articles 22-25, 27, 29-31, 33-34 of Franchise Agreement	Item 17
y.	Personal guarantee	Section 31.02 of Franchise Agreement	Item 15

Area Development Agreement

	Obligation	Section in Area Development Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Article 3 and Exhibit A	Items 7 and 12
b.	Pre-opening purchases/leases	Not applicable	Items 6, 7, 8 and 11
c.	Site development and other pre-opening requirements	Not applicable	Item 12
d.	Initial and ongoing training	Sections 8.01 and 9.06	Item 11
e.	Opening	Section 6.01	Item 11
f.	Fees	Article 5	Items 5, 6 and 7

Obligation		Section in Area Development Agreement	Item in Disclosure Document
g.	Compliance with standards and policies/Operating Manual	Article 9	Items 7, 8, 11, 15 and 16
h.	Trademarks and proprietary information	Articles 10, 11 and 13, Exhibit C	Items 13 and 14
i.	Restrictions on products/services offered	Article 3	Item 16
j.	Warranty and customer service requirements	Not applicable	Not applicable
k.	Territorial development and sales quotas	Article 6	Item 12
l.	Ongoing product/service purchases	Not applicable	Not applicable
m.	Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n.	Insurance	Not applicable	Not applicable
o.	Advertising	Not applicable	Not applicable
p.	Indemnification	Section 9.03	Item 6
q.	Owner's participation/management/staffing	Section 9.06	Item 15
r.	Records and reports	Section 9.04	Not applicable
s.	Inspections and audits	Not applicable	Not applicable
t.	Transfer	Article 12	Item 17
u.	Renewal	Not applicable	Item 17
v.	Post-termination obligations	Article 16	Item 17
w.	Non-competition covenants	Article 11	Item 17
x.	Dispute resolution	Article 18	Item 17
y.	Other: Guarantee	Section 18.15, Exhibit D	Item 15

ITEM 10 FINANCING

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

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

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

Pre-Opening Obligations

Franchise Agreement

Before you open your Walk-On's Restaurant, we will:

- (1) Designate your Territory. (Franchise Agreement, Section 3.01, Exhibit A)
- (2) Approve or disapprove a site for your Walk-On's Restaurant. We do not currently own sites for leasing to franchisees. You select the site for your Walk-On's Restaurant in your Territory. We or our designee will approve or disapprove your proposed site for your Walk-On's Restaurant. (Franchise Agreement, Section 6.01) You are required to engage our third-party designated tenant representative, which is currently Momentum Commercial Real Estate of Baton Rouge, Louisiana, to assist you during your site selection process. If you and we cannot agree upon the site for your Walk-On's Restaurant within six months following the date we sign the Franchise Agreement, then either you or we can terminate the Franchise Agreement, but if either of us does so, the Initial Franchise Fee will not be refunded and you must sign a General Release in the form of Exhibit G to this Disclosure Document.

We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed site for your Walk-On's Restaurant. We may visit your proposed site for your Walk-On's Restaurant but the Franchise Agreement does not require us to do so.

We consider the following factors, among others, in approving sites: the size of your Territory; the market potential and estimated volume of your Walk-On's Restaurant; the general location and neighborhood and nearness to customers; store visibility; traffic patterns; co-tenant attractiveness; size of the space; age and condition of the shopping center or building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; expected overhead; lease terms; and, traffic patterns.

- (3) Approve or disapprove the lease or purchase agreement for the Walk-On's Restaurant Location (as defined below) within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that time, and if the lease is accompanied by a rider containing the required provisions of Exhibit C to the Franchise Agreement, the lease will be deemed approved. (Franchise Agreement, Section 6.02)
- (4) Review the final plans and specifications for your Walk-On's Restaurant promptly and approve or provide comments on the plans and specifications to you. You may not commence construction of the Walk-On's Restaurant until we approve the final plans and specifications in writing. We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Walk-On's Restaurant. (Franchise Agreement, Section 6.03 and 6.04)
- (5) Specify the electronic and/or written accounting and MIS Systems, procedures, formats and reporting requirements which you will use to account for your Walk-On's Restaurant; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.06)

- (6) Through our online platform called “Center Court,” provide you with online access to, the Confidential Operating Manual (the “Manual”). You must strictly comply with the Manual in operating your Walk-On’s Restaurant. We can change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01)
- (7) We will use the Grand Opening Marketing Fee that you pay us to pay for promotional, publicity and marketing efforts in support of your Walk-On’s Restaurant opening. Such efforts may include traditional and non-traditional media placement, local marketing and publicity programs, and in-kind trade efforts. (Franchise Agreement, Section 10.03)

The following is the Table of Contents of the Manual as of the date of this Disclosure Document:

OPERATIONS MANUAL

TOPIC	NUMBER OF PAGES
Introduction	15
Employment Law	17
Training	9
Heart of House Safety and Sanitation	12
Winning Systems / Winning Shifts	23
Safety, Security and Disaster Plans	12
TOTAL PAGES	88

NEW PARTNER TRAINING PLAYBOOK

TOPIC	NUMBER OF PAGES
Orientation	29
Food Allergy Protocol	2
Food Safety & Sanitation	40
Heart of House Station Training	11
Kitchen Manager Training	1
Front of the House Training	6
Shift Manager Training	2
Digital Training	91
TOTAL PAGES	182

- (8) Furnish you with any written specifications for required products and services (Franchise Agreement, Section 8.08)

- (9) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (10) If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your franchised Walk-On's Restaurant, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Walk-On's Restaurant may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Walk-On's Restaurant. (Franchise Agreement, Section 7.07)

Area Development Agreement

If you sign an Area Development Agreement with us, then, under the Area Development Agreement, we will:

- (1) Designate your Development Territory; the number of Walk-On's Restaurants you will open; and, the development schedule setting the requisite timetable for opening each Walk-On's Restaurant (based on our mutual agreement). (Area Development Agreement, Section 3.01 and 6.01) You and we will decide on your Development Territory together, considering factors such as the general locations and neighborhoods and proximity to customers in the Development Territory we are considering; traffic patterns in the Development Territory; co-tenant attractiveness in the sites available in the Development Territory; size of the available spaces in the Development Territory; age and condition of the buildings in which the Walk-On's Restaurant might be situated in the Development Territory being considered; the availability of locations and necessary zoning in the Development Territory; and, the location of competitors in the Development Territory. In deciding on the number of Walk-On's Restaurants you will operate and the development schedule for their opening, you and we will consider factors such as the potential total number of Walk-On's Restaurants in the Development Territory; how aggressive the opening schedule should be; your experience, if any, in the industry; your experience in franchising; and, the capital commitment you are able and willing to make. If you and we do not agree on the Development Territory and the number of Walk-On's Restaurants to be opened and the development schedule, then you and we will not sign an Area Development Agreement.
- (2) Pursuant to the terms of each Franchise Agreement opened under the Area Development Agreement, approve or disapprove a site for your Walk-On's Restaurant.
- (3) Perform the training, instruction, assistance and other activities and services provided for under the Franchise Agreements. (Area Development Agreement, Section 8.01).

Obligations After Opening

After you open your Walk-On's Restaurant, we will:

- (1) Furnish you with the field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Walk-On's Restaurant. The timing of these services will be subject to the availability of our personnel. (See Franchise Agreement, Section 7.05)

- (2) Provide standard electronic accounting forms, other accounting forms and electronic reports, as part of our Manual, through the Restaurant 365 software (referenced below) or otherwise. (Franchise Agreement, Sections 5.05)
- (3) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (4) Furnish you with any specifications for required products and services. (Franchise Agreement, Section 8.08)
- (5) Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7.07)

Advertising

System Advertising Fund

You must contribute a System Advertising Contribution of 2% of your Walk-On's Restaurant's Gross Revenues to the Fund (Franchise Agreement, Section 10.01). The Fund is maintained by Walk-On's Marketing and is used for such advertising, marketing a public relations programs and materials as we and/or Walk-On's Marketing deem necessary or appropriate.

We and/or Walk-On's Marketing will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. Walk-On's Marketing need not make expenditures for you that are equivalent or proportionate to your System Advertising Contributions. Walk-On's Marketing need not ensure that any particular franchisee benefits directly or proportionately from Fund advertising. The Fund is not a trust and neither we nor the Walk-On's Marketing is a fiduciary.

The Fund may be used to meet all costs of administering, directing, preparing, placing and paying for national, regional or local advertising. This includes: television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Walk-On's website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; organizing Walk-On's franchise conventions, shows or seminars; advertising at sports events; mailers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; other activities that we believe are appropriate to enhance, promote and/or protect the System; and, engaging advertising agencies to assist in any or all of the above activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other public relations and advertising agency fees.

Walk-On's Marketing need not maintain the money paid by franchisees to the Fund and income earned by the Fund in a separate account, but the Walk-On's Marketing may not use this money for any purposes other than those provided for in the Franchise Agreement. Walk-On's Marketing can spend money from the Fund for its reasonable administrative costs and overhead for activities reasonably related to the administration of the Fund and advertising programs for franchisees, including, for example, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures described below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund.

Within 60 days following the close of its fiscal year, Walk-On's Marketing will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended. Walk-On's Marketing will send you a copy of this statement upon written request.

Walk-On's Marketing will spend most contributions to the Fund for advertising purposes during the fiscal year in which the contributions are made. If Walk-On's Marketing spends more than the amount in the Fund in any fiscal year (in addition to any money it has to spend because it did not spend all the money in the Fund during the year before), then Walk-On's Marketing can reimburse itself from the Fund during the next fiscal year for all excess expenditures during the preceding fiscal year, with reasonable interest. If Walk-On's Marketing spends less than the total in the Fund during any fiscal year, it can spend the unused money during the next fiscal year.

We and/or Walk-On's Marketing can use whatever media, create whatever programs and allocate advertising funds to whatever regions or localities we and/or Walk-On's Marketing consider appropriate. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However the design and maintenance of our website (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Walk-On's brand and the franchise opportunity.

Although it is intended that the Fund be perpetual, it may be terminated. The Fund will not be terminated until it has spent all money in the Fund for advertising and promotional purposes.

Each Walk-On's Restaurant that we or our affiliates operate will contribute a percentage of Gross Revenues to the Fund identical to the System Advertising Contribution percentage contributed by franchisees.

During the fiscal year ending December 25, 2019, the Fund income was spent in the following approximate amounts: 1.96% on production/research; 65.43% on media placement; .83% on marketing support materials; 16.30% on special events; 13.87% on our annual conference; and, 1.61% on other general and administrative expenses. All amounts spent on the annual conference are from conference sponsorships we received from approved and designated suppliers.

Regional Advertising Cooperatives

There are currently no regional advertising cooperatives. We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Walk-On's Restaurants (each a "Regional Advertising Cooperative"). If we form a Regional Advertising Cooperative for your area, we will notify you in writing of the starting date and amount of your contributions. We will determine the area of each Regional Advertising Cooperative based on an area that we consider likely to be able to advertise effectively on a cooperative regional basis. The Franchise Agreement gives us the power to require cooperatives to be formed, changed, dissolved or merged. If we form a Regional Advertising Cooperative, your contributions will be at least 1% but no more than 3% of Gross Revenues, unless the maximum contribution is changed by franchisee Regional Advertising Cooperative members in accordance with the terms of the Bylaws of the Regional Advertising Cooperative (see Franchise Agreement, Section 10.04). Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions you make (or any other franchisee makes).

A Regional Advertising Cooperative may spend funds for: developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements (including writing, filming, editing, etc.); planning, negotiating, contracting and trafficking media programs; technical and professional advice for programs; public relations; and, administration of the Regional Advertising Cooperative, including legal and accounting services.

The Regional Advertising Cooperative will order an audit following the end of each fiscal year. The auditors will present their audit report to the Board of Directors of the Regional Advertising Cooperative as soon as practicable, and the Board of Directors will then present the report to you and the other members of the Regional Advertising Cooperative at the next regular meeting or at a special meeting.

Advertising Council

There is no advertising council composed of franchisees. However, we may form, change, or dissolve a

franchisee advertising council at any time in the future.

Grand Opening Marketing Fee and Local Advertising and Promotion

You must pay us the Grand Opening Marketing Fee of \$30,000 on the date you sign the Franchise Agreement. We will use the Grand Opening Marketing Fee to pay for promotional, publicity and marketing efforts in support of your Walk-On's Restaurant opening. Such efforts may include traditional and non-traditional media placement, local marketing and publicity programs, and in-kind trade efforts. Starting in the second month of your operations, you agree to expend 1% of your Walk-On's Restaurant's previous month's Gross Revenues on local advertising and promotion.

Other Advertising Information

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or territory. We currently advertise using print, radio and television, with local, regional and national coverage. You may develop advertising materials for your own use, at your own cost. We must approve these advertising materials in advance and in writing, but if we do not respond within ten business days after receiving your proposed advertising material, the material is disapproved.

Web Sites and Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce and advertising activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, Instagram, Twitter, etc. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Walk-On's Restaurant a "click through" subpage at each of these websites for the promotion of your Walk-On's Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each of these ~~website~~[websites](#) for the promotion of your Walk-On's Restaurant, you must routinely provide us with updated photographs and news stories about your Walk-On's Restaurant suitable for posting on your Walk-On's Restaurant's "click through" subpage if we request. We may specify the content, frequency and procedure of these in our Manual. Any websites or other modes of electronic commerce that we establish or maintain may – in addition to being instrumental in advertising and promoting the programs, products or services available at Walk-On's Restaurants – also be devoted in part to offering Walk-On's Restaurant franchises for sale and be utilized by us to exploit the electronic commerce rights which we reserve (see Item 12). You may not maintain your own website or social media page; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your Walk-On's Restaurant, including through the use of a page or profile on any social media website such as Facebook, Instagram, Twitter, etc.; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "Walk-On's" name or any confusingly similar name.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and systemwide communications (among other activities) can be affected.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Walk-On's website we establish and maintain, including all material you may furnish to us as described above.

Computer and Point of Sale Systems

Before the commencement of operation of your Walk-On's Restaurant, you must purchase the required computer hardware, software, Internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the "Computer and Point of Sale Systems"). You must obtain high-speed communications access for your Computer and Point of Sale Systems, such as broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail

address for your Walk-On's Restaurant. You must also participate in any electronic gift card program (which may be integrated into the Computer and Point of Sale Systems) we establish and provide related services such as gift card issuance, redemption, reloading and balance inquiry.

You must provide all assistance we require to bring your Computer and Point of Sale Systems on-line with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer and Point of Sale Systems all data and information which we prescribe in our Manual, in our proprietary software and manuals, if any, and otherwise. We may retrieve from your Computer and Point of Sale Systems all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record, structure, capture and provide through the Computer and Point of Sale Systems all information concerning the operation of the Walk-On's Restaurant that we require, in the form and at the intervals that we require.

We will provide you with our current minimum specifications for the Computer and Point of Sale Systems in the Manual or otherwise and you must purchase the Computer and Point of Sale Systems from approved or designated suppliers. Our current specifications for the Computer and Point of Sale Systems include: the Aloha POS System, the Restaurant 365 Restaurant Software System, the KDS Kitchen Software System and a back office support program. Currently, Computer World is our only approved supplier for the Aloha POS System/QSR. The estimated cost for the Computer and Point of Sale Systems is between \$44,000 and \$48,000. We will have access to poll information contained on your Computer and Point of Sale Systems. There are no contractual limitations imposed upon our right to access information generated by your Computer and Point of Sale Systems.____

In the future, we may develop proprietary software. You agree to use proprietary software and software support services that either we develop and provide or which are provided by a third party supplier we designate, and you will execute a standard form software license agreement reasonably necessary to do so. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year. You will pay for new or updated programs and materials when you order them. (Franchise Agreement, Section 8.09)

You must keep your Computer and Point of Sale Systems in good repair and are required to enter into an annual and monthly service and support agreements, which currently cost approximately \$6,000 per year. ~~Certain suppliers charge us ongoing fees in connection with required software platforms that we pay on your behalf and for which you must reimburse us. We currently estimate these fees to be \$300 per month. In the future, we may require that you pay these recurring fees directly to the relevant software supplier.~~ You must also pay annual licensing fees totaling of \$2,000 to third-party software providers for the Computer and Point of Sale Systems. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. There is no contractual limit on our ability to require you to change the providers or specifications of the Computer and Point of Sale Systems, upgrade the Computer and Point of Sale Systems, add components to the Computer and Point of Sale Systems and replace components of the Computer and Point of Sale Systems.

Training

You are required to hire your Operating Partner in ample time so that he/she is present at the ground breaking of the Walk-On's Restaurant. You are required to hire all other Walk-On's Restaurant Managers and have them in our training no later than 100 days before your scheduled opening date. You must contact the Director of New Partner Training to schedule training for all Walk-On's Restaurant Managers and your Operating Partner more than 30 days prior to the date you would like training to commence.

Prior to opening your Walk-On's Restaurant, we will provide our eight-week Initial Training Program for up to six people. While up to six individuals may attend the Initial Training Program, the Initial Training Program is mandatory for you (if you are the Operating Partner), your Operating Partner and all of your Walk-On's Restaurant Managers.

The following is description of our Initial Training Program as of the issuance date of this Disclosure Document:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Orientation	5 hours	Not applicable	Company-owned and/or designated Walk-On's Restaurant or Walk-On's Corporate Headquarters
Host	Not applicable	10 hours	Company-owned and/or designated Walk-On's Restaurant
To Geaux	Not applicable	10 hours	Company-owned and/or designated Walk-On's Restaurant
Service	Not applicable	10 hours	Company-owned and/or designated Walk-On's Restaurant
Bar	Not applicable	20 hours	Company-owned and/or designated Walk-On's Restaurant
Kitchen Station Training (Prep, Fry, Sandwich, Grill, Salad)	Not applicable	100 hours	Company-owned and/or designated Walk-On's Restaurant
Restaurant Management/ Financial Reporting/HR/Area of Responsibility	2 weeks	250 hours	Company-owned and/or designated Walk-On's Restaurant
Walk-On's University	30 hours	Not applicable	Walk-On's Corporate Headquarters or designated location

We conduct the Initial Training Program as frequently as needed at an operating Certified Training Location Walk-On's Restaurant in Louisiana and/or another location we designate. Our training materials include our Manual, classroom learning and testing materials, weekly/daily checklists, access to online training, marketing templates and access to our intranet for printed materials and templates. The minimum experience of the instructors in the field relevant to the subject taught and to our operations is from one to five years.

The Initial Franchise Fee includes the cost of tuition and materials of the Initial Training Program for up to six people, although you must pay for all costs for travel, room and board, wages and other expenses for the trainees. Depending on the capacity of the training facility, however, you may only be limited to only send two people at a time to the Initial Training Program.

All trainees must complete the Initial Training Program to our satisfaction, which we will determine in our sole discretion. If any trainee fails to successfully complete the Initial Training Program, then the person who failed can re-enroll in our next scheduled Initial Training Program at no additional charge. All manager trainees must attend all scheduled training shifts and arrive on time and prepared. We can terminate the Franchise Agreement if the person again fails to successfully complete the Initial Training Program to our satisfaction.

Upon completion of the Initial Training Program and prior to the opening of your Walk-On's Restaurant, your Operating Partner and entire management team must attend and successfully complete the four-day Walk-On's U program at our headquarters in Baton Rouge, Louisiana. Walk-On's U currently focuses on the following topics: computer and inventory systems; finance; operations; and, marketing. We also require that you attend one day of new franchisee orientation at a site we designate. Additionally, prior to the opening of your Walk-On's Restaurant, it is required that you and your Operating Partner participate in the opening of other company-owned or franchised Walk-On's Restaurant in order to gain additional insight and knowledge regarding the operations of Walk-On's Restaurants.

Any Walk-On's Restaurant Manager or Operating Partner you appoint after the opening of your Walk-On's Restaurant must attend and successfully complete our next scheduled Initial Training Program at a charge of \$5,000 per trainee. You must also pay such trainee's costs for travel, room and board, wages and other expenses. See Item 6 for information about charges for training additional or subsequent trainees.

You are required to independently ensure that all of your managers and operating partners complete any state and local required food safety training (for example, ServSafe Food Safety Training). Documentation of successful completion of food safety training must be provided to the New Partner Training Department.

For the opening of your first Walk-On's Restaurant, we will provide you with our trained representatives (the "Opening Training Team") to provide on-site pre-opening and opening training, supervision, support and assistance to you for a maximum of 19 days at no charge (the "Opening On-Site Assistance"). If we determine, in our sole discretion, that you need additional on-site assistance beyond the allotted 19-days, we may require that all or a portion of the Opening Training Team remain at your Walk-On's Restaurant after opening for as long as we deem necessary. If we require that all or a portion of the Opening Training Team remain beyond 19-days, you must pay all expenses associated with keeping all or a portion of the Opening Training Team at your Walk-On's Restaurant after its opening, including, but not limited to, daily wages, transportation, lodging and a per diem fee. We may only provide the Opening Training Team and the Opening On-Site Assistance for your first Walk-On's Restaurant. Whether we decide to provide the Opening Training Team and Opening On-Site Assistance for any subsequent Walk-On's Restaurants you open will be made in our sole and absolute discretion based on our assessment of you and your teams' ability to successfully conduct the requisite training for the subsequent Walk-On's Restaurant.

You can request additional on-site training and/or assistance at any time. We will provide it at our option, but the franchise agreement does not require us to provide it. We may impose a fee for each day of additional on-site training or assistance we agree to provide and you must also pay all of the expenses incurred by our personnel in connection with such additional on-site training or assistance, including their salaries, travel costs, meals, lodging and other living expenses. The timing of all additional on-site and off-site advice, consultation and training (after the Initial Training Program) will be subject to the availability of our personnel.

We may from time to time conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual) and/or your operating partner for each of your opened Walk-On's Restaurants must attend each annual conference, convention or training session.

We may charge our then-current fees for such events. You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program, Walk-On's University and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses. (Franchise Agreement, Section 7.02)

Time to Open

You must open your Walk-On's Restaurant within 365 days after we sign your Franchise Agreement. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Walk-On's Restaurant is between 260 to 365 days. Factors affecting time include attendance at and satisfactory completion of our Initial Training Program, obtaining a satisfactory site, arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory.

ITEM 12 TERRITORY

Franchise Agreement

Under the Franchise Agreement, you may establish only one Walk-On's Restaurant. Your right to operate a Walk-On's Restaurant is restricted to the location designated in Exhibit A to the Franchise Agreement (the "Walk-On's Restaurant Location"). We will grant you a protected geographic area consisting of a 5-mile radius surrounding your Walk-On's Restaurant Location (the "Territory"). There is no minimum sales quota for maintaining your Territory or other circumstances that grant us the right to modify your Territory during the term of your Franchise Agreement.

You may not relocate the Walk-On's Restaurant without our previous written approval. All leases or subleases that you enter into, all plans and specifications that you propose and all construction, remodeling, renovation or other similar activity that you perform at and for the relocated Walk-On's Restaurant must be in accordance with all of the provisions of Article 6 of the Franchise Agreement as well as our then-current requirements. You must reimburse us for reasonable costs we incur in considering your relocation request. You do not have any options, rights of first refusal, or similar rights to acquire additional franchises.

Your Walk-On's Restaurant may only offer and sell its products and services from your Walk-On's Restaurant Location. Your Walk-On's Restaurant may not sell any products or services from any location besides for your Walk-On's Restaurant Location or through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; supermarkets, grocery stores or convenience stores; catalogs; or, any other channel of distribution. Under no circumstances may your Walk-On's Restaurant offer delivery of System menu items or products except as we may (but need not) authorize in writing. If we grant our approval, your Walk-On's Restaurant may then offer catering services within your Territory so long as you comply with our System requirements.

Subject to the rights reserved below, while the Franchise Agreement is in effect, we and our affiliates will not, in your Territory, operate or grant a franchise for a Walk-On's Restaurant. Outside of the Territory, we and our affiliates can operate and/or authorize others to operate any number of Walk-On's Restaurants at any location, including locations immediately proximate to your Territory.

We and/or our affiliates may engage in any type of business activity in and/or outside the Territory, except as restricted in the preceding paragraph. The Franchise Agreement does not confer upon you any right to participate in or benefit from any other business activity, whether it is conducted under the Proprietary Marks or not. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as the other business does not sell under the identical Proprietary Marks the identical type of programs, products or services which your Walk-On's Restaurant offers and sells (except as permitted below). You will receive no compensation for these businesses' sales.

Only we and/or our affiliates have the right to sell within and outside your Territory, under the Proprietary Marks, any and all System programs, products or services and/or their components or ingredients (including those used or sold by your Walk-On's Restaurant), at wholesale or retail, through any method of distribution, including without limitation, the internet/worldwide web; any other form of electronic commerce; supermarkets, grocery stores and convenience stores; mail order; catalogs; television sales; or, any other channel of distribution except for a Walk-On's Restaurant. You will receive no compensation for our or our affiliates' sales through alternative distribution channels.

We and/or our affiliates have the right to sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated in your Territory and proximate to your Walk-On's Restaurant Location, through the establishment of Walk-On's Restaurants, limited-service or fast casual Walk-On's Restaurants, kiosks, mobile units, concessions or "shop in shops" in nontraditional locations. "Nontraditional locations" include sports arenas and venues; casinos; food retailers; malls and mall food courts; schools and universities; airports; guest lodging facilities (including Walk-On's Hotels); government facilities; the premises of any third party retailer; military bases and installations; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates' sales at nontraditional locations. You will not receive an exclusive Territory. You may face competition from outlets that we own at nontraditional locations, from other channels of distribution or competitive brands that we control.

Both within and outside the Territory, only we and/or our affiliates have the right to sell System programs, products and services to national, regional and institutional accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (for example): business entities with offices or branches situated both inside and outside of your Territory; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts, which may include facilities within your Territory. If we receive orders for any System products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill the orders at the price we agree on with the customer or to give you the opportunity to fulfill the orders at the price we agree on with the customer. If we give you the opportunity to fulfill an order and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Walk-On's franchisee may serve the customer within your Territory, and you will not be entitled to any compensation.

We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities, and following such activity we may operate, franchise or license those other businesses and/or facilities regardless of the location of these businesses and/or facilities (which may be immediately proximate to your Walk-On's Restaurant Location) under the Proprietary Marks, outside of your Territory, or under any names or marks other than the Proprietary Marks, within your Territory. You will receive no compensation for these activities. Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

In addition, we maintain the right under the Franchise Agreement, to buy back your Walk-On's Restaurant for any reason. If your Walk-On's Restaurant has been operating less than 12 months, we will pay you a purchase price equal to 200% of your Walk-On's Restaurant assets or if you have been in operation longer than 12 months, we will pay you six times your Walk-On's Restaurant's EBITDA. This buy back right, if

exercised, will be accomplished after we provide you with 90 days' written notice of our intent to exercise this right. The closing will occur 30 days following our notice to you.

Other than as described in Item 1 of this Disclosure Document, we and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

Area Development Agreement

If you and we sign an Area Development Agreement, we will grant you a "Development Territory" within which you will promise to develop, own and operate a specified number of Walk-On's Restaurants. We will describe your Development Territory in detail in Exhibit A to your Area Development Agreement. You will not receive an exclusive Development Territory. You may face competition from outlets that we own at nontraditional locations, from other channels of distribution or competitive brands that we control.

Each Territory you are granted under your Franchise Agreements (as described in the Franchise Agreement section above in this Item 12) must be within your Development Territory. As an area developer, you must sign a Franchise Agreement for each Walk-On's Restaurant in a timely manner that enables you to meet the Development Schedule specified in your Area Development Agreement. With respect to each Franchise Agreement signed, you will be required to use your best efforts to find an acceptable Walk-On's Restaurant Location within your Development Territory. You must comply with all of our specifications, requirements and restrictions for finding acceptable Walk-On's Restaurant Locations, as set forth in the Franchise Agreement. We may require you to submit maps, completed checklists, photographs and diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate each of your proposed Walk-On's Restaurant Locations. You must select a Walk-On's Restaurant Location, identify it to us, obtain our advance written approval and sign a lease approved by us for your Walk-On's Restaurant Location within two (2) months following the date of our execution of each Franchise Agreement signed pursuant to the Area Development Agreement. The Territory for each Walk-On's Restaurant opened under an Area Development Agreement will be a 5-mile radius around the Walk-On's Restaurant and will be described in Exhibit A to the Franchise Agreement for such Walk-On's Restaurant. The rights you will receive to each Territory granted under each Franchise Agreement signed pursuant to an Area Development Agreement are identical to those described under the Franchise Agreement heading above in this Item 12.

You will have the right and obligation to open and operate in your Development Territory the number of Walk-On's Restaurants on the Development Schedule in your Area Development Agreement. You will not have any options, rights of first refusal or similar rights to acquire additional franchises. You must comply with the timetable on the Development Schedule. If you do not meet the deadlines set in your Development Schedule by either failing to sign a Franchise Agreement for each Walk-On's Restaurant by the date in your Development Schedule or failing to open by the Commencement of Operation Date in your Development Schedule, you will be in default under your Area Development Agreement. If you do default under your Area Development Agreement for this reason, we may terminate the Area Development Agreement. Termination of the Area Development Agreement for this reason, however, will not be a termination (constructive or otherwise) of any Franchise Agreement(s) entered into by you and us under which you have already commenced the operation of the Walk-On's Restaurant covered by the Franchise Agreement(s) if you have fully performed and otherwise been in compliance with all of your obligations under the Franchise Agreement(s) in question.

Within and outside of the Development Territory, we and our affiliates may operate any number of Walk-On's Restaurants or other businesses (whether under the Proprietary Marks or otherwise), and to authorize others to operate them, at any location we choose (including one or more locations that may be within the Development Territory). However, while any Franchise Agreement is in effect, we and our affiliates will not, in a Territory for any of your Walk-On's Restaurants granted in a Franchise Agreement, operate or grant a franchise for a Walk-On's Restaurant, except as described above in the Franchise

Agreements section of Item 12. Outside any Territory granted under a Franchise Agreement, we and our affiliates can operate and/or authorize others to operate any number of Walk-On's Restaurants at any location, including locations immediately proximate to such Territory. Your rights and the rights we reserve with respect to any Territory you receive under a Franchise Agreement are identical as described above under the Franchise Agreement heading of this Item 12.

We and/or our affiliates may engage in any business activity we choose in or outside the Development Territory (except as we are restricted as described above in any Territory you are granted under a Franchise Agreement) and the Area Development Agreement does not confer upon you any right to participate in or benefit from any other business activity (regardless of whether it is conducted under the Proprietary Marks or not). We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of product or service within your Development Territory, except as restricted within any Territory you are granted under a Franchise Agreement as described above.

The Area Development Agreement confers no marketing exclusivity in the Development Territory on you, and all Walk-On's Restaurants (whether company-owned, affiliate-owned, company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including within your Development Territory.

We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks regardless of the location of these businesses and/or facilities, which may be within the Development Territory or immediately proximate to it (except as restricted with respect to any Territory granted under individual Franchise Agreements, as described above under the Franchise Agreement heading of this Item 12).

Under the terms of the Area Development Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

ITEM 13

TRADEMARKS

We grant you the right to operate under the names Walk-On's and Walk-On's Sports Bistreaux, and to use certain other of our other current or future Proprietary Marks that we designate in the operation of your Walk-On's Restaurant.

Walk-On's Enterprises IP, LLC has licensed us to use the System, Proprietary Marks and other intellectual property and to sublicense them to our franchisees in a cross-license agreement dated as of October 10, 2014.

The following is a list of Proprietary Marks that Walk-On's Enterprises IP, LLC has registered on the Principal Register of the United States Patent and Trademark Office:

Principal Federal Registrations

Registration Number	Description of Mark	Registration Date
4,857,058	CAJUN QUESEAU	11/17/2015

4,198,455	CAJUNDILLAS	8/28/2012
5,431,834	CRAWFISH ETOU-WAYS	3/27/2018
4,198,456	EVERYONE NEEDS A LITTLE PLAYING TIME	8/28/2012
4,542,059	TUNA TINI	6/3/2014
4,695,122	WALK-ON'S	3/3/2015
87,638,249	GAME DAY WITH A TASTE OF LOUISIANA	11/27/2018
5,798,793		4/23/2019

In addition, Walk-On's Enterprises IP, LLC has applied for registration of the following marks on the Principal Register of the United States Patent and Trademark Office:

Serial Number	Description of Mark	Application Date
88603533		9/4/2019
88603528		9/4/2019
88731476		12/18/2019
88731478		12/18/2019

We do not have a federal registration for the four principal marks for which applications are pending or for certain other of our principal marks. Therefore, these marks do not have the same legal benefits and rights as a federally registered trademark. If our right to use these marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. With the exception of the cross-license agreement, dated as of October 10, 2014, between us and Walk-On's Enterprises IP, LLC, there are no agreements which significantly limit our rights to use or license the Proprietary Marks. To the extent the cross-license agreement is terminated, Walk-On's Enterprises IP, LLC will permit you to continue to use the Proprietary Marks in accordance with the terms of your Franchise Agreement for the remainder of the Term and any Renewal Terms. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Marks in the state in which the Walk-On's Restaurant is to be located.

There is no pending material federal or state court litigation regarding our use or ownership rights in any Trademark. All required affidavits have been filed. All required renewals have been filed.

We have the right to control any administrative proceedings or litigation involving Proprietary Marks licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented and reasonable expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented and reasonable expenses of complying, we will not be liable to you for any resulting expenses or alleged damages.

You must follow our rules when you use the Proprietary Marks. You cannot use the Proprietary Marks in connection with any other entity or business in which you have an interest, direct or indirect, or as any part of the name of the entity operating the Walk-On's Restaurant.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We hold no patents.

Copyrights

We have registered no copyrights, but we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the United States Patent and Trademark Office, the United States Copyright Office or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this Disclosure Document, we are unaware of any infringing uses of or superior prior rights to any of our copyrights which could materially affect your use of them in the state in which your Walk-On's Restaurant is to be located.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this Disclosure Document.

Confidential Information

You may never, while the Area Development Agreement or Franchise Agreement is in effect or after it expires or is terminated, reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

Under the Franchise Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit D to the Franchise Agreement):

- (1) Before employment or any promotion, your Walk-On's Restaurant Manager and all other managerial personnel; and
- (2) If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

Under the Area Development Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit C to the Area Development Agreement):

- (1) Before employment or any promotion, your Operating Partner; and
- (2) If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

Our confidential information will include information, knowledge, trade secrets or know-how utilized or embraced by the System, products, services, equipment, technologies and procedures that are part of the System; systems of operation, other products, services, equipment, recipes, specifications, ingredients, sources of supply, preparation techniques, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Manual; methods of advertising and promotion; instructional materials; and many other matters specified in the Franchise Agreement.

You must irrevocably license to us all intellectual property, newly developed items; improvements to existing items; and all other products, services, equipment and programs you develop related to your Walk-On's Restaurant. We will not be liable to you in any way because of this license.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally supervise and participate in the day-to-day operation of your Walk-On's Restaurant, unless we permit otherwise in writing. You must devote your time, attention and best efforts to performing your obligations under the Franchise Agreement and, if applicable, Area Development Agreement and your other agreements with us and our affiliates. If we grant you a license to operate more than one Walk-On's Restaurant, you must devote the time and attention necessary for the proper and effective operation of all your Walk-On's Restaurants.

You must designate an individual as the "Operating Partner" of your Walk-On's Restaurant. Before hiring the Operating Partner, you must identify the individual to us; furnish information to us regarding the candidate's background, experience and credentials; obtain (at your expense) a personality test on the candidate; and, secure our prior written approval of the candidate, which we will not unreasonably withhold or deny (provided, that such requirements will be solely for the purpose of ensuring that your Walk-On's Restaurant is managed in the manner necessary to operate a Walk-On's Restaurant in conformity with the System and the products, services, standards of quality and efficiency, and other Walk-On's brand attributes known to and desired by the consuming public and associated with the Proprietary Marks). If you are an individual, then you must serve as the Operating Partner. Your Operating Partner must have complete decision making authority with regard to your Walk-On's Restaurant. If you are operating a single Walk-On's Restaurant, your Operating Partner must have authority to act on your behalf under the Franchise Agreement. If you are signing an Area Development Agreement, you must designate the same individual as the Operating Partner under each Franchise Agreement signed pursuant to the Area Development Agreement and such Operating Partner must have authority to act on your behalf under each Franchise Agreement and the Area Development Agreement. Your Operating Partner is the only person who we will be required to communicate with when we seek to communicate with you. If you desire to designate a successor or replacement Operating Partner, then you must notify us in writing; identify your proposed successor Operating Partner and the reason that your predecessor Operating Partner ceased to serve; furnish us with all information we may reasonably request regarding the proposed successor; and, obtain our advance written approval, which we will not unreasonably delay or deny. If you are a business entity, within six (6) of opening your Walk-On's, your Operating Partner must be granted at least a ten percent (10%) equity interest in you. Your Operating Partner must complete the Initial Training Program to our satisfaction.

If you are an individual, you must also either serve as or designate a Walk-On's Restaurant Manager. If you are an entity, you must designate a Walk-On's Restaurant Manager. The Walk-On's Restaurant Manager, who will have day-to-day management responsibility for your Walk-On's Restaurant, will exercise on-premises supervision and personally participate in the direct operation of the Walk-On's Restaurant. You must inform us in writing of your Walk-On's Restaurant Manager and any successors in advance. Your Walk-On's Restaurant Manager must complete the Initial Training Program to our satisfaction. After a Walk-On's Restaurant Manager's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting Walk-On's Restaurant Manager within 10 days. The Walk-On's Restaurant Manager must have at least a 10% equity interest in you if you are an entity.

Your Operating Partner, Walk-On's Restaurant Manager and the other persons listed in Item 14 must sign our confidentiality/non-competition agreement (Exhibit D to the Franchise Agreement) and keep our confidential or proprietary information confidential.

If you are a business entity, then all direct and indirect owners of such business entity must sign a guarantee in the form of Exhibit E to the Franchise Agreement. A spouse of a direct or indirect owner is not required to sign the guarantee, unless the spouse also has a direct or indirect ownership interest in the business entity.

If you sign an Area Development Agreement, you must satisfy certain senior staffing requirements for the sole purpose of protecting the quality of the Walk-On's brand. Once you open your fourth Walk-On's

Restaurant in your Development Territory, you must hire 1 full-time multi-unit regional manager who will oversee the operation of up to 10 Walk-On's Restaurants in your Development Territory. After you have hired your first multi-unit regional manager, you must have 1 full-time multi-unit regional manager for each 10 Walk-On's Restaurant in your Development Territory (when you have a total of 11 Walk-On's Restaurants in your Development Territory, you must hire a second multi-unit regional manager).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Your Walk-On's Restaurant must at all times offer and sell our then-current products, services and programs which we designate as part of the System unless, as to any one or more products, services or programs, you are prohibited by local law or regulation or unless we have granted you our advance written approval to exclude some products, services or programs.

We may allow, or require you to sell, certain products, services and/or programs in addition to those initially identified by us as part of the System in accordance with our standards.

You must not sell any product, service or program which is not a part of the System or which we delete from the System.

If you desire to sell any product, service or program which is not a part of the System, then you must obtain our advance written permission. If we grant our advance written approval, then the product, service or program will become a part of the System. We will not be required to, but may, authorize it for sale at one or more other Walk-On's Restaurants. We may subsequently revoke our approval. All rights associated with the product, service or program will be owned by us, and you will not be entitled to any compensation for it.

We may require you, at your own expense, to participate in the testing of new products, services or programs. If so, you must maintain appropriate records of the testing and report the testing results to us.

We may add to, delete from or modify the products, services and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There is no contractual limit on our right to require these changes.

In addition to modifications of the System, we may incorporate into the System products, services or programs which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Walk-On's Restaurant, along with other Walk-On's Restaurants, will be required to offer and sell ("co-branding"). This co-branding may involve changes to the Proprietary Marks, and may require you to modify the building and premises of your Walk-On's Restaurant and the furnishing, fixtures, equipment, signs and trade dress at your Walk-On's Restaurant. If you receive written notice of our institution of co-branding, you must implement the co-branding at your franchised Walk-On's Restaurant. Under no circumstance will any co-branding program increase your Continuing Royalty, System Advertising Contribution or local advertising expenditure obligations under the Franchise Agreement. The Franchise Agreement does not otherwise place any limit on our rights to require you to make changes for co-branding.

You may only sell System products, services and programs at retail. You may not engage in the wholesale sale or distribution of any System products, equipment, and services which your Walk-On's Restaurant is required or permitted to use or sell, or any component or ingredient of them which now or in the future constitutes part of the System.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.01	Term is 10 years from the effective date.
b. Renewal or extension of the term	Section 4.02, 13.01	You can enter into 4 consecutive Renewal Franchise Agreements for a term of 5 years each if you fulfill the conditions in Section 13.01 of the Franchise Agreement.
c. Requirements for you to renew or extend	Section 13.01	a. Notify us no more than nine months and no less than six months before expiration. b. Comply with the Franchise Agreement and Manual and you did so and met your material obligations on time throughout the Initial Term. c. Satisfy all monetary obligations to us, our affiliates, landlord and suppliers. d. For your first renewal, design and remodel your Walk-On's Restaurant, in an amount which will not exceed \$250,000, to comply with our then-current standards. For any subsequent renewal, design and remodel your Walk-On's Restaurant, in an amount which will not exceed \$200,000, to comply with our then-current standards. e. You or your Walk-On's Restaurant Manager (as applicable), and any other management and staff we designate, must attend and successfully complete any training that we may reasonably require, at your expense. f. You must pay us a renewal fee of 25% of the our then-current Initial Franchise Fee for similar franchised territories, but the Renewal Fee for the first Renewal Term will be no greater than the Initial Franchise Fee which you paid under the Franchise Agreement. g. Renew your lease on terms acceptable to you and us, or lease an acceptable new Walk-On's Restaurant Location in your Territory without any interruption of business. h. Sign a General Release in the form of Exhibit G (but <u>not</u> releasing us from future claims under any Renewal Franchise Agreement). You may be asked to sign a contract with materially different terms and conditions than your original contract, but there will be no initial franchise fee, the boundaries of the Territory will remain the same, the term of each Renewal Franchise Agreement will be 10 years, the limited renewal rights of the Franchise Agreement will be incorporated, and the Continuing Royalty on renewal will not be greater than the Continuing Royalty that we then impose on similarly-situated renewing franchisees.
d. Termination by you	Section 17.02, 17.05	a. You may terminate the Franchise Agreement if you and we agree in writing. b. Your failure to pay any Continuing Royalties, System Advertising Contributions or other money after you receive notice of the default granting

Provision	Section in Franchise Agreement	Summary
		an opportunity to cure, will mean that you are willfully and wrongful breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.
e. Termination by us without cause	None.	
f. Termination by us with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout – please read it carefully. Any default or breach by you, your affiliates and/or any guarantor of yours of the lease or any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under the Franchise Agreement, and any default or breach of the Franchise Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate Franchise Agreement if the default had occurred under the Franchise Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in Franchise Agreement for termination.
g. "Cause" defined - defaults which can be cured	Section 17.03	You have 15 days to cure the default if you do not comply with any lawful Franchise Agreement or Manual provision or requirement or otherwise fail to fulfill the terms of the Franchise Agreement in good faith, except for defaults described in h. below. Examples of curable defaults include: a. You do not pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your Walk-On's Restaurant under any arrangement with us. The cure period for this default will be 5 days after written notice of default. If you do not cure within the shortened cure period, the Franchise Agreement will terminate immediately upon expiration of the 5-day cure period, or any longer period required by applicable law. b. You do not submit required reports or make any false statement in connection with any reports or information you submit to us. c. You sell unauthorized services or products. d. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers e. You engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks. f. You do not pay any taxes on your Walk-On's Restaurant when due. g. You do not use the Proprietary Marks and/or trade dress solely in the manner and for the purposes we direct. h. You violate the restrictions relating to advertising or do not participate in the programs related to advertising and sales promotion. i. You do not indemnify us. j. You permit a continued violation in connection with the operation of the

Provision	Section in Franchise Agreement	Summary
		Walk-On's Restaurant of any law, ordinance, rule or regulation, in the absence of a good faith dispute. k. You do not successfully pass any state or local health department food safety inspections. l. You fail to obtain or maintain a required, permit, certificate or other governmental approval. m. You employ an individual who is not legally eligible for employment in the United States. n. You fail to operate your Walk-On's Restaurant during the days and hours specified in our Manual without our advance written approval. o. You default under any agreement between you and the landlord of your Walk-On's Restaurant Location and do not cure within the time provided in the lease. p. You fail to maintain and operate your Walk-On's Restaurant and any delivery vehicles in a good, clean and sound manner, in strict compliance with our standards. q. You do not engage and have us train a successor or replacement Walk-On's Restaurant Manager. r. You do not comply with any other lawful provision or requirement of the Franchise Agreement or any specification, standard or operating procedure we prescribe.
h. "Cause" defined - non-curable defaults	Sections 17.01 and 17.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You fail to open the franchised Walk-On's Restaurant within 365 days following our signing of the Franchise Agreement or cease to operate the Walk-On's Restaurant, abandon the franchise, or, fail to operate your Walk-On's Restaurant for three consecutive days during which you are required to operate, unless due to causes beyond your control. b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Franchise Agreement. c. You and we agree in writing to terminate. d. You do not secure a Walk-On's Restaurant Location within the required time limits and procedures. e. You lose the right to possess the Walk-On's Restaurant Location, but if the loss is due to no fault of yours, you may apply for approval to relocate and reconstruct. f. You, your Walk-On's Restaurant Manager and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of a felony, etc. g. You make an unauthorized transfer. h. You do not comply with the in-term covenant not to compete, or obtain the required additional covenants, or you violate the restrictions pertaining to the use of Confidential Information. i. Before you open, we determine that you or your your Walk-On's Restaurant Manager failed to attend or successfully complete the Initial Training Program (after being afforded the opportunity to obtain remedial

Provision	Section in Franchise Agreement	Summary
		training). j. You knowingly conceal revenues, knowingly maintain false books or records, or submit any substantially false report to us. k. You do not maintain the required financial records. l. An audit shows that you understated your Gross Revenues by 8% or more for any month or for the entire period of examination. m. You refuse us permission to inspect or audit. n. You take any funds withheld from your employees' wages which should have been set aside for the Walk-On's Restaurant's employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled. o. After curing a default which is subject to cure, you commit the same act of default again within 36 months. p. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving your Walk-On's Restaurant. q. You interfere or attempt to interfere with our contractual relations with others. r. You do not cure a default which materially impairs the goodwill associated with our Proprietary Marks after at least 72 hours' written notice to cure. s. You fail for 15 days after notice to comply with any law or regulation applicable to the Walk-On's Restaurant. t. You repeatedly fail to comply with one or more requirements of this Franchise Agreement, whether or not corrected after notice. u. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties necessary for the proper and effective operation of your Walk-On's Restaurant. v. You do not immediately repay us or our affiliates for any amounts we advance on your behalf. w. You do not purchase or maintain required insurance. x. You, your Walk-On's Restaurant and/or your franchised Walk-On's Restaurant commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity or ridicule. y. You breach advertising standards and fail to cure within 3 days following written notice. z. You purchase any proprietary products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use, sell or otherwise exploit them for the benefit of any other individual, entity or business. aa. You operate your Walk-On's Restaurant in a fashion that, in our sole judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate the Franchise Agreement upon notice, but we may direct

Provision	Section in Franchise Agreement	Summary
		you to immediately close your Walk-On's Restaurant(s); you must immediately comply with our direction; and, you must hold us harmless from and against any claims relating to our direction to close your Walk-On's Restaurant(s). bb. You fail to immediately endorse and tender to us any payment which is due us or our affiliates but is made to your order. cc. You use our Confidential Information and/or Proprietary Marks in a way not specifically authorized, or for the benefit of any individual or entity other than your Walk-On's Restaurant. dd. You interfere or attempt to interfere with our ability or right to franchise or license others to use the System and/or Proprietary Marks. ee. You interfere or attempt to interfere with our relationships with any other franchisee, supplier, government authority or other third party. ff. You engage in any act or conduct, or fail to engage in any act or conduct, which under the Franchise Agreement specifically authorizes us to terminate the Franchise Agreement immediately upon notice to you. gg. You fail to successfully pass more than one state or local health department food safety inspection).
i. Your obligations on termination/nonrenewal	Article 18	a. Pay all money owing to us or our affiliates, and third parties. b. Stop using our Proprietary Marks, Confidential Information, trade secrets and Manual. c. Cancel assumed name or equivalent registration which contains "Walk-On's", or any other Proprietary Marks of ours, or any variant, within 15 days. d. If we terminate the Franchise Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), pay us all expenses and damages incurred as a result of your default or termination. Damages may include, for example, lost profits, lost opportunities, damage to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Walk-On's Restaurant for the Territory. e. If we request, assign us your interest in the Walk-On's Restaurant Location lease and vacate promptly. f. Immediately deliver to us all confidential information, manuals, computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks. g. Immediately sign agreements necessary for termination. h. Stop using the telephone numbers listed in directories under the name "Walk-On's" or any confusingly similar name. i. Strictly comply with the post-termination/post-expiration covenants not to compete. j. Continue to abide by restrictions on the use of our Confidential Information, trade secrets and know-how. k. Immediately refrain from engaging in any contacts with customers, suppliers, employees and all vendors of the Walk-On's Restaurant. l. Immediately surrender to us all computer software, data storage disks or

Provision	Section in Franchise Agreement	Summary
		tapes and other electronic media used in the operation of the Walk-On's Restaurant, printouts, and other information pertaining to computer operations, codes, procedures and programming. m. If we request, assign us your interest in the Walk-On's Restaurant Lease and vacate promptly. n. In 15 days, arrange with us for an inventory of personal property, fixtures, equipment, inventory and supplies. We have option for 30 days to buy these at fair market value. o. If we choose not to take over the Walk-On's Restaurant, redecorate and remodel it to deidentify it. If we terminate for cause, we can take possession of the Walk-On's Restaurant. If you dispute the termination, then we can operate the Walk-On's Restaurant until the final court determination. If the court decides the termination was not valid, we must make a complete accounting for the period when we operated the Walk-On's Restaurant.
j. Assignment of contract by us	Section 14.01	We will have the right to assign if the assignee is financially responsible and economically capable of performing our obligations under the Franchise Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Franchise Agreement)
k. "Transfer" by you – definition	Section 14.02	Any assignment, transfer, subfranchising, sublicensing, sale, redemption or division of Agreement, Walk-On's Restaurant, any interest in them or a business entity franchisee.
l. Our approval of transfer by you	Sections 14.02, 14.03	No transfer without our consent except as provided in Franchise Agreement (for example, transfer to a business entity you form for convenience.).
m. Conditions for our approval of transfer	Section 14.04	a. The person to whom you propose to transfer (the "transferee") must apply to us for acceptance. b. Transferee must come to personal interview, or we may meet with transferee at his, her or its business or residence, and if we do you must reimburse us for our travel, lodging, meal and personal expenses. c. Transferee (or, if a business entity, the principals of the proposed transferee) must demonstrate the skills, qualifications, ethics, moral values and economic resources necessary, in our reasonable judgment, to conduct the Walk-On's Restaurant and to fulfill obligations to you. d. Transferee and his/her/its proposed Walk-On's Restaurant Manager must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at transferee's expense. e. The landlord of the Walk-On's Restaurant Location must consent in writing to the assignment of lease. f. You must have cured any existing defaults, fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties. g. Transferee must sign new Franchise Agreement (but need not pay another Initial Franchise Fee). The term of the new Franchise Agreement will be the balance of your Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
		h. Transferee must have acquired, or will be able to immediately acquire following the signing of the new Franchise Agreement, all permits, licenses and other authorizations legally necessary to operate the Walk-On's Restaurants. i. The Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of the Walk-On's Restaurant and/or the transferee. See Franchise Agreement for definition of "Total Sales Price." j. If transferee is a business entity, owners must sign guarantees and confidentiality/ non-competition agreements. k. You and your owners must sign a general release. l. If the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we sign the new Franchise Agreement and must continue to be complied with. m. You must give us copies of the proposed assignment contract and signed assignment contract. n. The transferee, at its expense, must upgrade the kitchen to conform with then-current standards and specifications within the time we reasonably specify. o. You must pay us a transfer fee of one-half of the then current initial franchise (currently, \$30,000).
n. Our right of first refusal to purchase your business	Section 14.06	We can match any offer for your Walk-On's Restaurant.
o. Our option to purchase your business	Section 19.01, 19.04	A. We, any of our affiliates, and/or any nominee or designee we name have the option to buy your Walk-On's Restaurant's assets upon termination, expiration or if we or a significant portion of our assets are purchased or acquired. B. We may (but have no obligation to), at any time during the term of your Franchise Agreement or any renewal of your Franchise Agreement, purchase your franchise and your Walk-On's Restaurant (including all assets) upon ninety (90) days' written notice to you. You must sign all documents relating to the assignment and transfer as are reasonably necessary for our purchase of same. The purchase price will be established by, and subject to, the following terms (taking into account our right to set off all amounts due against any payment to you): (a) if your Walk-On's Restaurant was open and operating for less than one (1) year, the purchase price will be an amount equal to two hundred percent (200%) of the cumulative cost to you; (b) if your Walk-On's Restaurant was open and operating for one (1) year or longer, the purchase price will be an amount equal to six (6) times your Walk-On's Restaurant EBITDA. The closing of the purchase and sale of your Walk-On's Restaurant will take place on a date not later than thirty (30) days after the purchase price is determined, we receive and obtain all necessary permits and approvals (whichever is later), unless you and we mutually agree to close on a different date.

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	Section 14.05	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Walk-On's Restaurant if it provides an acceptable Operating Principal. This Operating Principal must successfully complete our next Initial Training Program and assume full-time operation of the franchise within 1 month of your death or disability. The Estate must pay us a \$1,000 administrative fee. From the date of your death or disability until an Operating Principal assumes full time control, we can operate your Walk-On's Restaurant, but need not do so. See Item 6. Or, the Estate may sell the franchise in accordance with the requirements described in m. above.
q. Non-competition covenants during the term of the franchise	Section 12.02	No involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.02	No competing business for 2 years within your Territory, within 10 miles of the perimeter of your Territory, or within 10 miles of the perimeter of (or within) any Walk-On's Restaurant Territory.
s. Modification of the agreement	Sections 7.01, 25.01	No oral modifications generally, but we may change the Manual. Any Manual change will not conflict with or materially alter your rights and obligations under the Franchise Agreement.
t. Integration/merger clause	Section 24.01	Only the terms of the Franchise Agreement, the Exhibits to the Franchise Agreement and all agreements signed with it are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	N/A	No provision for arbitration or mediation.
v. Choice of forum	Section 30.04	Litigation must be at a state or federal district court of competent jurisdiction in East Baton Rouge Parish, Louisiana, subject to state law.
w. Choice of law	Section 30.03	Louisiana law applies, subject to state law.

Area Development Agreement

Provisions	Section in Area Development Agreement	Summary
a. Length of the franchise Term	4.01	Term is from date we sign agreement until the earlier of either the actual or scheduled date of execution of the last Franchise Agreement scheduled to be signed under the Area Development Agreement.
b. Renewal or extension of the term	Section 4.02	The Area Development Agreement is not renewable.

Provisions	Section in Area Development Agreement	Summary
c. Requirements for you to renew or extend	None	Not Applicable.
d. Termination by you	Section 15.02	a. You may terminate the Area Development Agreement if you and we agree in writing. b. You may terminate the Area Development Agreement on any grounds provided by applicable law.
e. Termination by us without cause	None.	Not applicable.
f. Termination by us with cause	Article 15	The Area Development Agreement describes defaults throughout – please read it carefully. Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Walk-On's Restaurant covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements. However, any default or breach by you of your Franchise Agreement(s) will trigger the Area Development Agreement's cross-default provision, such that if the nature of the default/breach under the Franchise Agreement(s) would have permitted us to terminate the Area Development Agreement if it happened under the Area Development Agreement, then we may terminate the Area Development Agreement. The cross-default provision also applies to breaches/defaults of the Area Development Agreement that permit us to terminate your Franchise Agreement(s).
g. "Cause" defined - defaults which can be cured	Section 15.03	Except for defaults described in h. below, you have 15 days to cure any default under the Area Development Agreement.
h. "Cause" defined - non-curable defaults	Section 15.01 and 15.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Area Development Agreement. b. We and you agree in writing to terminate the Area Development Agreement. c. You, any of your Principals, and/or, if you are a business entity, any owner, member, shareholder, director or manager is convicted of a felony, etc. d. You make an unauthorized transfer. e. You do not comply with the covenant not to compete during the term of the Area Development Agreement; violate restrictions pertaining to the use of Confidential Information contained in the Area Development Agreement; or, do not obtain the signing of the additional covenants required by the Area Development Agreement.

Provisions	Section in Area Development Agreement	Summary
		f. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority. g. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion. h. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks. i. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of us or the System.
i. Your obligations on termination/nonrenewal	Section 16.01	a. Pay all money owing to us or our affiliates, and third parties. b. If we terminate the Agreement for your default, pay us all expenses, including attorney's and expert's fees. c. Immediately sign all agreements necessary for termination. d. Strictly comply with the post-termination/post-expiration covenants not to compete e. Continue to abide by restrictions on the use of our Confidential Information. Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Walk-On's Restaurant covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements.
j. Assignment of contract by us	Section 12.01	We will have the right to assign the Area Development Agreement if the assignee is financially responsible and economically capable of performing our obligations under the Area Development Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Area Development Agreement).
k. "Transfer" by you – definition	Section 12.02	Any assignment, sale, transfer, shared, reconsidering, subfranchising or dividing, voluntarily or involuntarily, of the Area Development Agreement, the Walk-On's Restaurant, or any interest in the Walk-On's Restaurant or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you).
l. Our approval of transfer by you	Section 12.02, 12.03 and 12.04	No transfer without our consent except as provided in Area Development Agreement (for example, transfer to a business entity you form for convenience.).
m. Conditions for our approval of transfer	Sections 12.03 and 12.04	See l., above.
n. Our right of first refusal to purchase your business	None	Not applicable.
o. Our option to purchase your	None	Not applicable.

Provisions	Section in Area Development Agreement	Summary
business		
p. Your death or disability	Section 12.04	On your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights pass to his or her "Estate". The Estate may continue operating the Area Development Business if it provides an acceptable Area Business Manager. This Area Business Manager must assume full time operation of the franchise within 90 days of death or disability.
q. Non-competition covenants during the term of the franchise	Section 11.01	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.01	No involvement in competing business for 2 years within your Development Territory, within a 10 mile radius of the perimeter of your Development Territory or within a 10 mile radius of the perimeter of (or within) any Walk-On's Restaurant (whether company-owned, franchised or otherwise established and operated).
s. Modification of the agreement	Section 18.05	No oral modifications.
t. Integration/merger clause	Section 18.05	Only the terms of the Area Development Agreement, the Exhibits to the Area Development Agreement and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	Not applicable.
v. Choice of forum	Sections 18.13 and 13.03	Litigation must be in East Baton Rouge Parish, Louisiana, except that we may bring an action for an injunction in any court with jurisdiction (see Area Development Agreement). (Subject to state law).
w. Choice of law	Section 18.12	Louisiana law applies. Your state law may supersede this provision and it may not be enforceable in your state. (Subject to state law).

ITEM 18

PUBLIC FIGURES

Drew Brees, the quarterback for the New Orleans Saints, holds a membership interest in our corporate parent, Walk-On's Enterprises Holdings, LLC. Drew has no direct investment in us. As one of the owners of our corporate parent, Drew is involved in brand development, expansion, public relations and advertising of the System. Other than benefits received in connection with his membership interest in our corporate parent, Drew receives no compensation or other benefit from us or our corporate parent in exchange for his involvement in those activities. Except as stated above, no public figure appears in the franchise name or

symbol, endorses or recommends the franchise to prospective franchisees, is involved in our actual management or control, or has invested in us.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We set forth below certain historical data for a subset of Walk-On's Restaurants that were open and operating for the full 12-months of the reported calendar year (the "Reporting Sports Bistreaux"). Of the Reporting Sports Bistreaux, the tables below provide historic information for the only two formats currently in existence: (i) Reporting Sports Bistreaux that are freestanding locations ("Freestanding Reporting Sports Bistreaux"), meaning they do not share any walls with other businesses and instead stand by themselves, and (ii) Reporting Sports Bistreaux that are inline locations ("Inline Reporting Sports Bistreaux"), meaning they are one of a number of businesses within a contiguous building or shopping center.

In addition to the difference in building location type, Freestanding Reporting Sports Bistreaux and Inline Reporting Sports Bistreaux are different for, among others, the following reasons: (1) Freestanding Reporting Sports Bistreaux typically have increased signage and visibility; (2) Freestanding Reporting Sports Bistreaux typically have exclusive and designated parking versus shared parking; (3) Freestanding Reporting Sports Bistreaux typically have the ability to have outdoor events and parties (for example, tailgates, crawfish boils); (4) Freestanding Reporting Sports Bistreaux typically have the ability to have live music, which landlords may not permit at Inline Reporting Sports Bistreaux; (5) Freestanding Reporting Sports Bistreaux typically have the ability to incorporate patios and other appealing and functional characteristics into their design; (6) Freestanding Reporting Sports Bistreaux typically have the ability to design their kitchen to maximize efficiencies, which design efficiencies may not be possible in designing kitchens for Inline Reporting Sports Bistreaux.

The table in Section I below provides historic information for franchised Freestanding Reporting Sports Bistreaux. The tables in Section II below provide historic information for affiliate-owned Freestanding Reporting Sports Bistreaux. The table in Section III provides historic information for system-wide Freestanding Reporting Sports Bistreaux. The table in Section IV below provides historic information for the franchised Inline Reporting Sports Bistreaux (there are no affiliate-owned Inline Sports Bistreaux).

SECTION I: FRANCHISED FREESTANDING REPORTING SPORTS BISTREAUX

There were 28 franchised Walk-On's Restaurants open in 2019, 21 franchised Walk-On's Restaurants open in 2018 and 13 franchised Walk-On's Restaurants open in 2017. Table 1 below presents information concerning the 17 franchised Freestanding Reporting Walk-On's Restaurants open in 2019 ("2019 Franchised Freestanding Sports Bistreaux"), the 11 franchised Freestanding Reporting Sports Bistreaux open in 2018 ("2018 Franchised Freestanding Sports Bistreaux"), and the 6 franchised Freestanding Reporting Sports Bistreaux open in 2017 ("2017 Franchised Freestanding Sports Bistreaux"). We do not present costs of goods sold information for franchised Freestanding Reporting Sports Bistreaux since we do not have historic cost information for franchised locations that is in a similar format to the cost of goods sold information for affiliate-owned locations.

TABLE 1: AVERAGE AND MEDIAN YEARLY GROSS REVENUES

Table 1 below presents the average and median yearly Gross Revenues for the 2019 Franchised Freestanding Sports Bistreauxs, the 2018 Franchised Freestanding Sports Bistreauxs and the 2017 Franchised Freestanding Sports Bistreauxs.

Calendar Year	Average Yearly Gross Revenues	Number of Restaurants	% Attaining or Exceeding Average	Median Yearly Gross Revenues	High and Low Yearly Gross Revenues
2019	\$4,830,034	17	8 or 47%	\$4,788,265	\$6,637,885 and \$3,011,624
2018	\$5,052,882	11	6 or 55%	\$5,033,670	\$6,836,089 and \$4,212,245
2017	\$5,549,718	6	3 or 50%	\$5,514,759	\$6,173,225 and \$4,640,374

TABLE 2: AVERAGE AND MEDIAN HOURLY WAGES AS A PERCENTAGE OF YEARLY GROSS REVENUES

Table 2 below presents the average and median cost of hourly labor as a percentage of average yearly Gross Revenues at the 2019 Franchised Freestanding Sports Bistreauxs. Table 2 only provides the labor costs for hourly employees (for example, servers, cooks, bartenders, etc.), excluding the costs of any benefits or payroll taxes. Table 2 does not provide labor costs for managers or other salaried employees. You will also incur labor costs for management and salaried employees, which costs we do not report here as they will vary based on compensation, ownership structure and other factors for each Walk-On's Restaurant. We do not present labor percentages for prior years as we do not have reliable franchisee labor data for prior years.

Calendar Year	Average Hourly Wages as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Hourly Wages as Percentage of Yearly Gross Revenues
2019	18.3%	17	9 or 53%	17.3%

SECTION II: AFFILIATE-OWNED FREESTANDING REPORTING SPORTS BISTREAUXS

As of December 25, 2019, there were a total of 5 affiliate-owned Walk-On's Restaurants, 3 of which were owned and operated by our affiliate for 12 consecutive months in 2019 (the "2019 Affiliate Freestanding Sports Bistreauxs"). There were also 3 affiliate-owned Walk-On's Restaurants open in 2018; and 3 affiliate-owned Walk-On's Restaurants open in 2017. The tables below present information concerning the 2019 Affiliate Freestanding Sports Bistreauxs; the 3 affiliate-owned Freestanding Reporting Sports Bistreauxs open in 2018 ("2018 Affiliate Freestanding Sports Bistreauxs"); and the 3 affiliate-owned Freestanding Reporting Sports Bistreauxs open in 2017 ("2017 Affiliate Freestanding Sports Bistreauxs").

TABLE 1: AVERAGE AND MEDIAN YEARLY GROSS REVENUES

Table 1 below presents the average and median yearly Gross Revenues for the 2019 Affiliate Freestanding Reporting Sports Bistreauxs; the 2018 Affiliate Freestanding Reporting Sports Bistreauxs; and, the 2017 Affiliate Freestanding Reporting Sports Bistreauxs.

Calendar Year	Average Yearly Gross Revenues	Number of Restaurants	% Attaining or Exceeding Average	Median Yearly Gross Revenues	High and Low Yearly Gross Revenues
2019	\$5,376,151	3	2 or 66%	\$5,536,714	\$5,561,870 and \$5,029,870
2018	\$5,336,161	3	2 or 66%	\$5,450,391	\$5,527,643 and \$5,030,448
2017	\$5,155,517	3	2 or 66%	\$5,323,818	\$5,436,766 and \$4,705,967

TABLE 2: AVERAGE AND MEDIAN COST OF FOOD AND BEVERAGES SOLD AS A PERCENTAGE OF YEARLY GROSS REVENUES

Table 2 below presents the average and median costs of food and beverage items sold as a percentage of average yearly Gross Revenues at the 2019 Affiliate Freestanding Sports Bistreauxs; the 2018 Affiliate Freestanding Reporting Sports Bistreauxs; and, the 2017 Affiliate Freestanding Sports Bistreauxs. Table 2 only provides information relating to the costs of food and beverage items. We expect Affiliate Freestanding Reporting Sports Bistreauxs to incur similar costs of food and beverage items as franchised Walk-On's Restaurants. You will also incur costs for paper supplies and other non-food and beverage products and supplies used in the operation of a Walk-On's Restaurant.

Calendar Year	Average Cost of Food and Beverages Sold as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Cost of Food and Beverages Sold as Percentage of Yearly Gross Revenues
2019	28.0%	3	1 or 33%	28.3%
2018	28.84%	3	1 or 33%	29.18%
2017	30.32%	3	2 or 66%	30.20%

TABLE 3: AVERAGE AND MEDIAN HOURLY WAGES AS A PERCENTAGE OF YEARLY GROSS REVENUES

Table 3 below presents the average and median cost of hourly labor as a percentage of average yearly Gross Revenues at the 2019 Affiliate Freestanding Sports Bistreauxs; the 2018 Affiliate Freestanding Sports Bistreauxs; and, the 2017 Affiliate Freestanding Sports Bistreauxs. Table 3 only provides the labor costs for hourly employees (for example, servers, cooks, bartenders, etc.), excluding the costs of any benefits or payroll taxes. Table 3 does not provide labor costs for managers or other salaried employees. You will also

incur labor costs for management and salaried employees, which costs we do not report here as they will vary based on compensation, ownership structure and other factors for each Walk-On's Restaurant. The labor costs below are based on Louisiana minimum wage rates and labor costs may differ from state to state.

Calendar Year	Average Hourly Wages as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Hourly Wages as Percentage of Yearly Gross Revenues
2019	15.9%	3	1 or 33%	16.3%
2018	16.21%	3	2 or 66%	16.64%
2017	16.11%	3	1 or 33%	16.48%

SECTION III: SYSTEM FREESTANDING REPORTING SPORTS BISTREAUXS

TABLE 1: AVERAGE YEARLY GROSS REVENUES

System-wide, there were a total of 20 Freestanding Reporting Sports Bistreauxs open in 2019, 14 Freestanding Reporting Sports Bistreauxs Restaurants open in 2018 and a total of 9 Freestanding Reporting Sports Bistreauxs open in 2017. Table 1 below presents information concerning the 20 Freestanding Reporting Sports Bistreauxs open in 2019 ("2019 System Freestanding Sports Bistreauxs"), the 14 Freestanding Reporting Sports Bistreauxs open in 2018 ("2018 System Freestanding Sports Bistreauxs") and the 9 Freestanding Reporting Sports Bistreauxs open in 2017 ("2017 System Freestanding Sports Bistreauxs").

TABLE 1: SYSTEM AVERAGE YEARLY GROSS REVENUES

Calendar Year	Average Yearly Gross Revenues	Number of Restaurants	% Attaining or Exceeding Average	Median Yearly Gross Revenues	High and Low Yearly Gross Revenues
2019	\$4,911,952	20	11 or 55%	\$5,147,722	\$6,637,885 and \$3,011,624
2018	\$5,092,371	14	7 or 50%	\$5,087,031	\$6,836,089 and \$4,212,245
2017	\$5,418,318	9	5 or 55%	\$5,436,766	\$6,173,225 and \$4,640,374

TABLE 2: AVERAGE AND MEDIAN HOURLY WAGES AS A PERCENTAGE OF YEARLY GROSS REVENUES

Table 2 below presents the average and median cost of hourly labor as a percentage of average yearly Gross Revenues at the 2019 System Freestanding Sports Bistreauxs. Table 2 only provides the labor costs for

hourly employees (for example, servers, cooks, bartenders, etc.), excluding the costs of any benefits or payroll taxes. Table 2 does not provide labor costs for managers or other salaried employees. You will also incur labor costs for management and salaried employees, which costs we do not report here as they will vary based on compensation, ownership structure and other factors for each Walk-On's Restaurant. We do not present labor percentages for prior years as we do not have reliable franchisee labor data for prior years.

Calendar Year	Average Hourly Wages as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Hourly Wages as Percentage of Yearly Gross Revenues
2019	17.94%	20	12 or 60%	16.7%

SECTION IV: INLINE REPORTING SPORTS BISTREAUXS

There were 2 Franchised Inline Reporting Sports Bistreauxs open at the end of 2019 ("2019 Franchised Inline Reporting Sports Bistreauxs"); 2 Franchised Inline Reporting Sports Bistreaux open at the end of 2018 ("2018 Franchised Inline Reporting Sports Bistreaux"); and 1 Franchised Inline Reporting Sports Bistreaux open at the end of 2017 ("2017 Franchised Inline Reporting Sports Bistreaux").

TABLE 1: AVERAGE AND MEDIAN YEARLY GROSS REVENUES

Table 1 below presents the average and median yearly Gross Revenues for the 2019 Franchised Inline Reporting Sports Bistreauxs; the 2018 Franchised Inline Reporting Sports Bistreaux; and, the 2017 Franchised Inline Reporting Sports Bistreaux.

Calendar Year	Average Yearly Gross Revenues	Number of Restaurants	% Attaining or Exceeding Average	Median Yearly Gross Revenues	High and Low Yearly Gross Revenues
2019	\$4,318,904	2	1 or 50%	\$4,318,904	\$4,882,414 and \$3,755,394
2018	\$4,197,128	2	1 or 50%	\$4,197,128	\$4,658,669 and \$3,735,587
2017	\$3,772,368	1	1 or 100%	\$3,772,368	\$3,772,368

TABLE 2: AVERAGE AND MEDIAN HOURLY WAGES AS A PERCENTAGE OF YEARLY GROSS REVENUES

Table 2 below presents the average and median cost of hourly labor as a percentage of average yearly Gross Revenues at the 2019 Franchised Inline Reporting Sports Bistreauxs. Table 2 only provides the labor costs for hourly employees (for example, servers, cooks, bartenders, etc.), excluding the costs of any benefits or payroll taxes. Table 2 does not provide labor costs for managers or other salaried employees. You will also incur labor costs for management and salaried employees, which costs we do not report here as they will vary based on compensation, ownership structure and other factors for each Walk-On's Restaurant. We do not present labor percentages for prior years as we do not have reliable franchisee labor data for prior years.

Calendar Year	Average Hourly Wages as Percentage of Yearly Gross Revenues	Number of Restaurants	% Attaining or Below Average	Median Hourly Wages as Percentage of Yearly Gross Revenues
2019	17.1%	2	1 or 50%	17.1%

General Notes to Item 19

We have not audited the information presented above, nor have we independently verified this information. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

This Item 19 does not reflect all of the operating costs and expenses you will incur in operating a Walk-On's Restaurant, which operating costs and expenses will affect the net income and cash flow. ~~Net income will vary depending upon factors such as rental or real estate costs, costs of goods sold, labor costs, how you operate and other costs relating to the operation of the Walk-On's Restaurant. Some of the expenses that a franchisee will incur and should take into consideration are the following: (i) franchise payments, including Continuing Royalty and System Advertising Contributions; (ii) merchant service fees; (iii) payroll, payroll taxes and other employee benefits; (iv) licenses and service contracts; (v) rent and utilities; (vi) music, audio, video equipment; (vii) repairs and maintenance; (viii) insurance; (ix) cost of goods sold and equipment; (x) financing costs; (xi) accounting and legal expenses; (xii) marketing expenses; (xiii) taxes; and (xiv) other fixed costs.~~

Gross Revenue as used in this Item 19 has the same definition as in Section 5.04 of the Franchise Agreement, mainly "Gross Revenues" means: all revenue that you derive from operating your Walk-On's, including, but not limited to, all amounts that you receive at or away from the Walk-On's Location, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Walk-On's, but excluding only: (1) proceeds from property damage or liability insurance; (2) proceeds from any civil forfeiture, condemnation, or seizure by government entities; and, (3) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. Gross Revenues includes revenue and income from, to the extent we grant our prior written approval of same, catering, vending machines, coin operated machines, ATM machines, juke boxes or other music playing devices, basketball machines, pinball machines, video games, other arcade-style games and/or any other form of machine or electronic device operated at your Walk-On's. Gross Revenues includes the full menu price for all food and beverage items served, regardless of any refunds, credits, chargebacks, discounts or whether such items are comped food or beverages for customers or employees.

Other than the preceding Financial Performance Representation, Walk-On's Enterprises Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Walk-On's Enterprises Franchising, LLC's management by contacting Scott Taylor, 3960 Burbank Drive, Baton Rouge, LA 70808, (225) 330-4533, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
Table No. 1*
Systemwide Outlet Summary
For Years December 31, 2017 to December 25, 2019

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2017	6	13	+7
	2018	13	21	+8
	2019	21	28	+7
Company-Owned	2017	4	3	-1
	2018	3	3	0
	2019	3	5	+2
Total Outlets	2017	10	16	+6
	2018	16	24	+8
	2019	24	33	+9

Table No. 2
Transfers of Franchised Outlets from Franchisees
to New Owners (other than the Franchisor)
For Years December 31, 2017 to December 25, 2019

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Louisiana	2017	0
	2018	0
	2019	2
Total	2017	0
	2018	0
	2019	2

Table No. 3
Status of Franchised Outlets
For Years December 31, 2017 to December 25, 2019*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina tions	Column 6 Non-Rene wals	Column 7 Reacqui red by Franchis or	Column 8 Ceased Opera- tions - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	0	3
Florida	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
Louisiana (Note 1)	2017	5	5	0	0	0	0	10
	2018	10	4	0	0	0	0	14
	2019	14	1	0	0	0	0	15
Mississippi	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
North Carolina	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Tennessee	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Texas	2017	1	2	0	0	0	0	3
	2018	3	2	0	0	0	0	5
	2019	5	3	0	0	2	0	6
All Other States	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina tions	Column 6 Non-Rene wals	Column 7 Reacqui red by Franchis or	Column 8 Ceased Opera- tions - Other Reasons	Column 9 Outlets at End of the Year
	2019	0	0	0	0	0	0	0
Total	2017	6	7	0	0	0	0	13
	2018	13	8	0	0	0	0	21
	2019	21	9	0	0	2	0	28

Note 1: 1 of the 5 outlets identified in Column 4 of this Table No. 3 as having opened in 2017 was an existing company-owned Walk-On's Restaurant that was purchased by a franchisee.

Table No. 4
Status of Company-Owned Outlets
For Years December 31, 2017 to December 25, 2019*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Louisiana	2017	4	0	0	0	1	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
Texas	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	2	0	0	2
Total	2017	4	0	0	0	1	3
	2018	3	0	0	0	0	3
	2019	3	0	2	0	0	5

Table No. 5
Projected Openings as of December 25, 2019

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	0	0
Arkansas	2	2	0
Arizona	1	0	0
Colorado	1	0	0
Florida	6	5	0
Louisiana	0	0	0
Missouri	1	0	0
North Carolina	1	1	0
South Carolina	1	1	0
Tennessee	0	0	0
Texas	15	9	0
All Other States	0	0	0
Total	28	18	0

Exhibit H lists the names of all franchisees operating Walk-On's Restaurants as of December 25, 2019 and the addresses and telephone numbers of their franchised businesses. Exhibit H also lists franchisees who have signed a franchise agreement for a Walk-On's Restaurants as of December 25, 2019, but who have not yet opened an outlet, franchisees who signed a franchise agreement for a Walk-On's Restaurants after December 26, 2019, and all current area developers. Finally, Exhibit H also lists each franchisee who had an outlet terminated, canceled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year. There is no franchisee in any state who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

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

There are no trademark-specific franchisee organizations associated with the franchise system.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements as of December 25, 2019, December 26, 2018, and December 27, 2017 are attached as Exhibit C.

ITEM 22
CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included as Exhibits to this Disclosure Document. These include our: (1) Franchise Agreement and all exhibits to it, including the following: Franchised Territory; Proprietary Marks; Required Lease Rider; Confidentiality/Non-Competition Agreement; Guarantee; and, Acknowledgement Addendum; (2) Area Development Agreement and all exhibits to it, including the following: Development Territory; First Unit Franchise Agreement You and We Will Sign; Confidentiality/Non-Competition Agreement; and, Guarantee; (3) State Specific Addenda; (4) General Release.

ITEM 23
RECEIPTS

You will find copies of a detachable receipt in Exhibit I at the very end of this Disclosure Document.

EXHIBIT A
FRANCHISE AGREEMENT AND RELATED MATERIALS

WALK-ON'S ENTERPRISES FRANCHISING, LLC
FRANCHISE AGREEMENT

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EXHIBITS

STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

A FRANCHISED TERRITORY AND RESTAURANT TYPE

B PROPRIETARY MARKS

C REQUIRED LEASE RIDER

D CONFIDENTIALITY/NON-COMPETITION AGREEMENT

E GUARANTEE

F ACKNOWLEDGEMENT ADDENDUM

WALK-ON'S ENTERPRISES FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and effective as of this ____ day of ____, ____ (the "Effective Date") between WALK-ON'S ENTERPRISES FRANCHISING, LLC, a Louisiana limited liability company with its principal office at 3960 Burbank Drive, Baton Rouge, LA 7080 ("we," "us," "our" or "Franchisor") and _____ whose principal address is _____ ("you," "your" or "Franchisee").

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 The Walk-On's System and Proprietary Marks

We and/or our affiliates have developed a proprietary system (the "System") for opening and operating Walk-On's Sports Bistreaux ("Walk-On's"), which are Louisiana themed sports grills offering a variety of fresh, cooked to order, menu items such as sandwiches, seafood, Southern Louisiana specialties, hamburgers and salads.

The System makes use of the trademarks, service marks and fictitious business names "Walk-On's," "Walk-On's Sports Bistreaux" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Manuals (as described below) and/or otherwise.

2. GRANT OF FRANCHISE AND LICENSE

2.01 Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Proprietary Marks and the System in connection with establishing and operating a Walk-On's within the Territory as defined below. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and only in accordance with the terms and conditions of this Agreement and any related agreements.

3. TERRITORY

3.01 Territory

Under this Agreement, you may establish only one (1) Walk-On's. Your right to operate a Walk-On's is restricted to the location designated on Exhibit A (the "Walk-On's Location"). You shall be granted a protected territory consisting of a 5-mile radius around the Walk-On's Location (the "Territory").

3.02 Our Restrictions

Within the Territory, neither we nor any of our affiliates (meaning any individual or business entity we control, which controls us, or which is under common control with us, together our "affiliates") will operate

or grant a franchise for a Walk-On's, except as provided in Section 3.04 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of the Territory, we and/or our affiliates reserve the right to operate any number of Walk-On's, and/or authorize others to operate same, at any location whatsoever, including locations that may be immediately proximate to the Territory.

3.03 Your Restrictions

Your Walk-On's may only offer and sell its programs, products and services in, at and from your Walk-On's Location. Under no circumstance may you establish any physical presence, apart from your Walk-On's Location, at or from which System programs, products or services are sold or furnished. Nor may you offer or sell System programs, products or services through any other means or manners, such as through alternative channels of distribution, including the internet/worldwide web and other forms of electronic commerce; supermarkets, grocery stores or convenience stores; catalogs; or, any other distribution channel whatsoever. Notwithstanding the foregoing, if you comply with our requirements concerning catering activities (whether set forth in the Manuals or in other written communications from us), your Walk-On's may offer approved catering services from the Walk-On's Location to customers located within your Territory. Under no circumstances may your Walk-On's offer delivery except as we may (but need not) authorize in writing.

You may only engage in the retail sale of System programs, products and services. You are prohibited from engaging in the wholesale sale or distribution of any System programs, products or services, or the programs or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. "Retail sale" means any sale by you directly to an ultimate consumer. "Wholesale sale or distribution" means any sale or distribution by you to a third party for resale, retail sale, or further distribution. "Component" means any constituent part, ingredient, element, segment or derivative.

3.04 Rights We Reserve

You understand and agree that we and/or our affiliates may, in or outside the Territory (except as restricted by Section 3.02 above), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks. Our and our affiliates' rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service, including businesses utilizing the System or derivations of the System, except as restricted by Section 3.02 above.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under identical Proprietary Marks, the identical type of programs, products or services which your Walk-On's offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Walk-On's at any location outside of your Territory, including immediately proximate to your Territory.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks, any and all System programs, products or services and/or their components or ingredients (including those used or sold by your Walk-On's), at

wholesale or retail, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; supermarkets, grocery stores and convenience stores; mail order; catalogs; television sales (including “infomercials”); or, any other channel of distribution whatsoever except for a Walk-On’s of the same type franchised to you hereunder, in your Territory. You will receive no compensation for our or our affiliates’ sales through alternative distribution channels.

You also understand and agree that we and/or our affiliates have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated in your Territory and proximate to your Walk-On’s Location, through the establishment of Walk-On’s, limited-service or fast casual Walk-On’s, kiosks, mobile units, concessions or “shop in shops”. “Nontraditional locations” include sports arenas and venues; casinos; resorts; food retailers; malls and mall food courts; schools and universities; hospital and healthcare facilities; airports; cruise ships; guest lodging facilities (including Walk-On’s Hotels); government facilities; military bases and installations; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates’ sales at nontraditional locations.

You further agree that, both within and outside the Territory, we and/or our affiliates alone have the right to sell System programs, products and services to national, regional and institutional accounts. “National, regional and institutional accounts” are organizational or institutional customers whose presence is not confined to your Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Territory; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts (which may include facilities within your Territory). If we receive orders for any System programs, products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with national, regional and institutional accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other one of our franchisees may serve the customer within your Territory, and you will not be entitled to any compensation.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business’ facilities, and following such activity we may operate, franchise or license those other businesses and/or facilities regardless of the location of these businesses and/or facilities (which may be immediately proximate to your Restaurant Location) under the Proprietary Marks, outside of your Territory, or under any names or marks other than the Proprietary marks, within your Territory.

You waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

For the purposes of this Agreement, an “affiliate” of an individual or business entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that individual or business entity.

4. TERM AND RENEWAL

4.01 Initial Term

Unless sooner terminated in accordance with its provisions, the initial term (“Initial Term”) of this Agreement begins on the Effective Date and ends 10 years following the sooner of: (i) the date your Walk-Ons opens for business or (ii) the “Opening Deadline” set forth in Section 8.01 below.

4.02 Renewal Term and Renewal Agreement

You will have the right to enter into four (4) consecutive Renewal Franchise Agreements, each featuring a term of five (5) years (a “Renewal Term”), if you have complied with the conditions and procedures for renewal specified in Article 13 below. The first Renewal Term will begin on the date that the Initial Term expires and each succeeding Renewal Term will begin on the date that the previous Renewal Term expires. The first Renewal Franchise Agreement will supersede this Agreement and each subsequent Renewal Franchise Agreement will supersede the preceding Renewal Franchise Agreement. Renewal Franchise Agreements will not take the form of an extension of this Agreement; but, instead, will each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no “initial franchise fee” will apply to you; the boundaries of your Territory will remain the same; the term of each Renewal Franchise Agreement will be five (5) years; the limited renewal rights identified in this Agreement will be incorporated (as applicable); and, the Continuing Royalty on renewal will not be greater than the Continuing Royalty that we then impose on similarly situated renewing franchisees.

5. YOUR PAYMENTS TO US

5.01 Initial Franchise Fee

You agree to pay us an Initial Franchise Fee of \$60,000. The Initial Franchise Fee is payable in full when you sign this Agreement (unless you sign an Area Development Agreement with us); is not refundable; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02 Continuing Royalty

You agree to pay us a weekly Continuing Royalty equal to five percent (5%) of your previous week’s Gross Revenues, as defined in Section 5.04. The Continuing Royalty is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you.

5.03 System Advertising Contribution

You agree to pay us a weekly System Advertising Contribution equal to two percent (2%) of your prior week’s Gross Revenues (as defined in Section 5.04). These System Advertising Contributions will be expended as provided for in Section 10.01 below.

5.04 Definition of Gross Revenues

“Gross Revenues” means: all revenue that you derive from operating your Walk-On’s, including, but not limited to, all amounts that you receive at or away from the Walk-On’s Location, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Walk-On’s, but excluding only: (1) proceeds from property damage or liability insurance; (2) proceeds from any civil forfeiture, condemnation, or seizure by government entities;

and, (3) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. Gross Revenues includes revenue and income from, to the extent we grant our prior written approval of same, catering, vending machines, coin operated machines, ATM machines, juke boxes or other music playing devices, basketball machines, pinball machines, video games, other arcade-style games and/or any other form of machine or electronic device operated at your Walk-On's. Gross Revenues includes the full menu price for all food and beverage items served, regardless of any refunds, credits, chargebacks, discounts or whether such items are comped food or beverages for customers or employees. To account for the foregoing, if you are in compliance with this Agreement, in our discretion and within a reasonable period of time after each calendar quarter, we may rebate the Continuing Royalty paid on one percent (1%) of your Gross Revenues during the prior calendar quarter.

5.05 Reporting and Payment

A. You agree to submit a weekly report to us for our receipt on or before the Monday immediately following the preceding Fee Period. The weekly report will consist of a statement reporting all Gross Revenues for the preceding week and your calculation of the Continuing Royalty and System Advertising Contribution due thereon, all in the manner and form we prescribe. The report must be completed and submitted through the Restaurant 365 back office system or through any now or hereafter developed mode of communication and/or data transmission that we designate. You also agree to furnish to us any other financial or non-financial data that we request concerning the activity of your Walk-On's in the form, manner and frequency that we request it.

B. We reserve the right to require the transmission of these and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. We currently require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for the Walk-On's. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. You may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, electronic funds transfer or other similar technology we designate.

C. On or before the before the Monday immediately following the preceding Fee Period, we will debit the Continuing Royalty and System Advertising Contribution due for the preceding month, as specified in your weekly report, from the Bank Account.

D. You agree to pay us or our affiliates interest, on any overdue amounts owed under this or any other agreement, at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of ten percent (10%) of any returned or declined ACH payments. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

E. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our affiliates (excluding any corporate income taxes imposed on us or our affiliates) because we or our affiliates have furnished programs, services or services to you, collected

any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with other collection efforts; and, (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

F. If a state or local law in which your Walk-On's is located prohibits or restricts in any way your ability to pay and our ability to collect the Continuing Royalty and/or System Advertising Contribution derived from the sale of alcoholic beverages at your Walk-On's (an "Alcohol Restriction Law"), you will be required to pay whatever increased percentages of all Gross Revenues not deriving from the sale of alcohol are necessary so that the Continuing Royalty and System Advertising Contribution you pay equals the Continuing Royalty and System Advertising Contribution you would make if you were not subject to an Alcohol Restriction Law.

6. SITE SELECTION, CONSTRUCTION, TRADE DRESS AND LEASE REQUIREMENTS

6.01 Walk-On's Location

A. You may operate your Walk-On's only from your Walk-On's Location. You may use the Walk-On's Location for no other purpose than the operation of the Walk-On's.

B. If you have suggested a Walk-On's Location which we have approved before the execution of this Agreement, then the address of that Walk-On's Location will be set forth on Exhibit A to this Agreement. If you have not suggested a Walk-On's Location which we have approved before the execution of this Agreement, then the following provisions will apply:

You agree to use your best efforts to find an acceptable Walk-On's Location within the Territory. You must comply with all our specifications, requirements and restrictions. You will be required to use our designated approved third-party tenant representative to assist you during your site selection process. The Walk-On's Location will be subject to our advance written approval, and our determination will be final. We may require you to submit the following items for our evaluation of your proposed Walk-On's Location: maps; completed checklists; photographs; diagrams of the premises with measurements; and, other information and materials which we may reasonably require.

It is of the essence of this Agreement that you select a Walk-On's Location, identify it to us, obtain our advance written approval and sign a lease approved by us for your Walk-On's Location within two (2) months following the Effective Date of this Agreement. If you intend to own the Walk-On's Location, then you agree to furnish to us proof of ownership or an executed contract of sale within 30 days following our approval of the Walk-On's Location. If you do not secure a Walk-On's Location within the time limits and following the procedures specified in this Section 6.01, then this failure will be a material and incurable breach of this Agreement which, unless waived by us, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

You acknowledge and agree that any advice we or our designated or approved third party tenant representative furnishes regarding site selection and our proposal, inspection and/or approval of any proposed site for your Walk-On's Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the Walk-On's Location, and you hereby forever waive any claim to the contrary.

6.02 Location Lease

If you will be leasing the Walk-On's Location, then promptly following our written approval of your proposed Walk-On's Location, you agree to obtain a lease or sublease for the Walk-On's Location which, unless otherwise approved by us in advance, must be accompanied by the lease rider attached as Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before execution. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay; provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by the lease rider attached as Exhibit C. If we do not communicate to you our approval or disapproval of a proposed Lease within 20 business days following our receipt of the proposed Lease, and if the Lease is accompanied by the lease rider attached as Exhibit C, then the Lease will be considered approved.

You may not, in any Lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Walk-On's Location without our advance written approval.

6.03 Construction of Your Walk-On's

After acquiring the Walk-On's Location by lease or purchase, you shall at your expense construct your Walk-On's or, if applicable, convert the existing premises to become your Walk-On's, in conformity with the final plans and specifications which we have approved (as provided in Section 6.03). At your expense and prior to commencing construction of your Walk-On's, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of a Walk-On's as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Walk-On's and to complete all improvements. You must obtain and maintain in force during the entire period of construction the insurance required under Section 9.01 of this Agreement. Your indemnification of us, our affiliates and all others specified in Section 8.11 below applies to each and every activity arising from or related to the construction of your Walk-On's. You understand and agree, and promise never to contend or assert otherwise, that our approval of your final plans for your Walk-On's does not render us liable for any defects, neglects, omissions, errors or negligence associated with such plans and shall not in any fashion be construed to diminish or negate your indemnification of us, our affiliates and the others referenced in Section 8.11 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

You must use your best efforts to complete the construction or conversion of your Walk-On's promptly. You must provide us with comprehensive information regarding all phases of the development process as we may require, such as weekly progress reports during conversion, in the format we designate. This information will include (without limitation and as applicable) the names, addresses and telephone numbers of your architect, civil engineer, surveyor, general contractor, subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers and copies of all invoices. These requirements will also apply to any construction, remodeling, renovation or refurbishing of your Walk-On's at any time after it opens.

We will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from your Walk-On's' plans that you furnished to us pursuant to Section 6.03 before implementing the changes. You hereby grant us access to your Walk-On's Location while work is in progress. We may require any reasonable modification to the construction of your Walk-On's that we consider necessary or desirable in our reasonable business judgment. If you fail to promptly begin the design, construction, equipping and opening of your Walk-On's with due diligence, we may elect to terminate this Agreement immediately upon notice to you. All signs at your Walk-On's must conform to our sign criteria unless we consent in writing to such non-conformance for good cause you demonstrate.

When construction is complete and before you open your Walk-On's, your architect and general contractor must provide us with a certificate stating that the as-built plans for the Walk-On's fully comply with the Americans with Disabilities Act (the "ADA"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Walk-On's and the Walk-On's Location, including any requirements set forth in the Lease for the Walk-On's Location.

We will have the right, but not the obligation, to conduct a final inspection of the completed Walk-On's before it opens. We may require any corrections and modifications we consider reasonable and necessary to bring the Walk-On's into compliance with the plans and specifications we approved. The Walk-On's will not be allowed to open if the Walk-On's does not conform to the approved plans and specifications, including changes thereto that we may approve.

6.04 Specifications and Sources of Supply

We may provide you with a sample layout for the interior of a prototype Walk-On's and a set of typical preliminary plans and specifications for, and approved sources of supply of, your Walk-On's' furniture, fixtures, equipment, signs and/or other trade dress elements. However, you will need to engage a licensed architect to adapt our sample layout to your Walk-On's Restaurant, complete and finalize your plans and receive our final approval for same. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Walk-On's' furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Manuals or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

All signs at your Walk-On's must conform to our sign criteria, unless we otherwise consent in writing, for good cause you demonstrate.

The sample layout and preliminary plans we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Walk-On's, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary plans we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Walk-On's. You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify, necessary to complete, adapt, modify or substitute the layout, plans and specifications for your Walk-On's.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary plans and specifications for the site improvement and construction of your Walk-On's (which must be based on the sample layout and preliminary plans we furnish to you). You must submit a complete set of your proposed final plans and specifications to us and obtain our

written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your franchised Walk-On's. Our approval will be based on our assessment of compliance with our standards for new Walk-On's. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Your architect must certify to you in writing that the plans and specifications for your Walk-On's complies with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business.

You agree that any plans and specifications you prepare and submit to us will be irrevocably licensed to us in perpetuity. We, our affiliates and any other franchisees to whom we give these plans and specifications may use them without owing you any compensation or being liable to you in any way.

6.05 Maintaining Your Walk-On's

You shall at all times maintain at your sole expense the interior and exterior of your Walk-On's, the entire Walk-On's Location and any other facilities used by your Walk-On's business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Manuals, except to the extent that we may otherwise expressly agree in writing.

6.06 Refurbishing Your Walk-On's

We have the right to require you every five (5) years during the Initial Term of this Agreement, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign the Walk-On's so that it reflects our then-current standards. If any such direction of ours requires you to expend more than \$75,000 to effect the directed activity, then you will have six (6) months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

6.07 Relocation of Your Walk-On's

You may not relocate your Walk-On's without first obtaining our written approval for the new location and reimbursing us for any reasonable costs we incur in considering your request. If you relocate the Walk-On's with our approval subject to the terms of this Section 6.07, the new location will be the "Walk-On's Location" of the Walk-On's. Any relocation will be at your expense. All Leases that you enter into, all plans and specifications for your relocated Walk-On's that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Walk-On's must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

6.08 Time is of the Essence

Subject to the provisions of Article 20.01 of this Agreement ("Unavoidable Delay or Failure to Perform Force Majeure"), time is of the essence with regard to each and every requirement of this Article 6.

7. OUR DUTIES

7.01 Confidential Operating Manuals; Policy Statements

We will lend you, or provide you with online access (through "Center Court") to, one (1) copy of our Confidential Operating Manuals (the "Manuals"). The Manuals may take the form of one (1) or more of the

following: one (1) or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; other electronic media; online postings or portals; e-mail and/or electronic communications; or, any other now or hereafter developed medium capable of conveying the Manuals' contents.

The Manuals will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your Walk-On's. You agree to operate your Walk-On's in strict compliance with the Manuals.

We have the right to prescribe additions to, deletions from or revisions of the Manuals (the "Supplements to the Manuals"), all of which will be considered a part of the Manuals. All references to the Manuals in this Agreement will include the Supplements to the Manuals. Supplements to the Manuals will become binding on you as if originally set forth in the Manuals, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Manuals and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Manuals other than a license to use the Manuals and comply with the Manuals during the Initial Term (and any Renewal Term) of this Agreement. You agree to ensure at all times that your copy of the Manuals is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Manuals and any Supplements to the Manuals, the master copy of the Manuals and any Supplements to the Manuals maintained at our principal office will control.

In addition to the Manuals, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Manuals, are not contracts and do not create any contractual or other binding obligation on either you or us.

7.02 Initial Training Program

After you secure a Walk-On's Location and at least 90 days, but no earlier than six (6) months, before the opening of the Walk-On's, we will provide the initial training program (the "Initial Training Program") for up to six (6) people at no additional expense to you (except, as provided below, in instances where you ask us to provide the Initial Training Program for additional or replacement personnel). While up to six (6) individuals may attend the Initial Training Program, you (if the franchisee is an individual), your Operating Partner (as defined in Section 8.07) and all of your Walk-On's Managers (as defined in Section 8.07) must attend and successfully complete the Initial Training Program. We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them.

If we reasonably conclude in our business judgment that either you (if an individual) or your Walk-On's Managers or Operating Partner have failed to attend or successfully complete our Initial Training Program to our satisfaction, then that person(s) may re-enroll in our next scheduled Initial Training Program at no additional charge. If such individual(s) fails the next scheduled Initial Training Program, this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

You must pay an additional charge to us for providing the Initial Training Program to additional or replacement personnel. This charge will be no greater than \$5,000 per person. This training is required of any Walk-On's Manager or Operating Partner you appoint after the opening of your Walk-On's.

We reserve the right at all of our training programs to determine their duration, the subjects included in the curriculum thereof and to train any number of individuals from any number of Walk-On's, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or any services your trainees may render in the course of

participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web based tutorials, video streaming, or through other now or hereafter developed media).

You are required to independently ensure that all of your managers and operating partners complete any state and local required food safety training (e.g., ServeSafe Food Safety Training).

At all times during the Term of this Agreement, you agree to pay all the expenses incurred by your trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

7.03 On-Site Training or Assistance

We or our designee will provide for your first location supervision and assistance prior to and immediately following the opening of your Walk-On's (the "Opening On-Site Assistance"), which shall be a maximum of 19 days in duration. We will pay for our hotel, transportation and expenses incurred in connection with the provision of the Opening On-Site Assistance. If the initial week's sales volume and demands of the business are determined to exceed the capabilities of your Walk-On's Managers and employees, then we will furnish you with a member of our staff or our designee to assist in the operations of your Walk-On's for an undetermined additional period of time that we determine is appropriate. You must pay us any costs incurred for this additional training and support, including, but not limited to, daily wages, transportation, lodging and a per diem fee. Additionally, you may request on-site training or assistance at any time in accordance with guidelines we may specify in the Manuals or otherwise. We will not be obligated to provide on-site training or assistance, but if we elect to do so, we may impose a fee for each day of on-site training or assistance we agree to provide. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

7.04 On-Going Training

We may from time to time develop additional training programs which you (if an individual), your Operating Partner and your Walk-On's Managers must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web based tutorials, video streaming, or through other now or hereafter developed media). We reserve the right to charge our then-current training fees for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other living expenses.

In addition, we may from time to time conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual), your Operating Partner and your Walk-On's Managers must attend each annual conference, convention or training session.

7.05 Field Support Services

After the opening of your Walk-On's, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Walk-On's. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.06 Walk-On's U

After the completion of the Initial Training Program and before the opening of your Walk-On's, your Operating Partner and entire management team must attend and successfully complete a three-day Walk-On's U® training program at our headquarters ("Walk-On's U®"). You agree to pay all expenses incurred in connection with your Operating Partner's and management team's attendance at Walk-On's U®, including, but not limited to, salary, transportation costs, meals, lodging and other living expenses.

7.07 Store Opening Participation

Prior to the opening of your Walk-On's, we may request that you or your Operating Partner and your management team participate in the opening of another Walk-On's (the "Store Opening Participation"). You agree to pay all expenses incurred in connection Store Opening Participation, including, but not limited to, salary, transportation costs, meals, lodging and other living expenses.

7.08 Accounting and MIS Systems

We will specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your Walk-On's; maintain your financial records and data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Manuals and for bearing the costs of these activities.

7.09 Pricing

Because enhancing Walk-On's interbrand competitive position and consumer acceptance for Walk-On's programs, products and services is a paramount goal of ours and our franchisees, and because this objective is consistent with the long term interest of the System overall, we may exercise rights with respect to the pricing of programs, products and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the programs, products and/or services offered and sold at your Walk-On's; recommending retail prices; advertising specific retail prices for some or all programs, products or services sold by your Walk-On's, which prices you will be compelled to observe (colloquially referred to as "price point advertising campaigns"); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Walk-On's may charge the public for the programs, products and services it offers. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Walk-On's and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your Walk-On's retail prices.

7.10 Nature of Obligations

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

8. YOUR DUTIES

8.01 Opening Date

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Manuals and in other written notices from us, and open your Walk-On's to the general public no later than 365 days following the Effective Date (the "Opening Deadline"). Time is of the essence. You will not be allowed to open your Walk-On's without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses; furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Walk-On's Location, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Manuals or other written notices we may furnish to you.

8.02 Manner of Operation

Your Walk-On's must comply at all times with every provision of this Agreement, the System and the Manuals. You may not use the System or the Proprietary Marks for the benefit of any business other than your Walk-On's. You may not conduct (or permit anyone else to conduct) any business at your Walk-On's Location other than the Walk-On's business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Manuals are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Manuals may damage the reputation and goodwill enjoyed by the Walk-On's restaurant network and the Proprietary Marks.

8.03 Modifications to the System

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Manuals or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your Walk-On's is authorized and required to offer; modifying or substituting the equipment, signs, trade dress and other characteristics that you are required to adhere to (subject to the limitations set forth in this Agreement); and, changing, improving, modifying or substituting for the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement. You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any Walk-On's, based on the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the Walk-On's. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

8.04 Cobranding

We may determine from time to time to incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Walk-On's, along with other Walk-On's, will be required to offer and sell ("Co-Branding"). This Co-Branding may involve changes to the Proprietary Marks and may require you to make modifications to your Walk-On's premises and the furniture, fixtures, equipment, signs and trade dress of your Walk-On's. If you receive written notice of our institution of Co-Branding, you agree promptly to implement that program at your Walk-On's at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any Co-Branding increase your Continuing Royalty, System Advertising Contribution or local advertising expenditure obligations under this Agreement.

8.05 Compliance with Laws, Rules and Regulations

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Walk-On's in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your Walk-On's. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your Walk-On's now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you nor any affiliate of yours, any individual or business entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person" has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

8.06 Health, Safety and Cleanliness

You shall meet (or exceed) and maintain the highest health, safety and cleanliness standards and ratings applicable to the operation of your franchised Walk-On's. You shall furnish to us, within five (5) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Walk-On's that are conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your Walk-On's; the programs, products and services sold, offered for sale and/or provided at your Walk-On's; and, the operation of your Walk-On's under the System, as those requirements may be specified by us in this Agreement, in the Manuals or otherwise in writing.

You shall permit us or our agents, at any reasonable time and with or without notice, to remove samples of items from your Walk-On's inventory, or from your Walk-On's, without payment therefor, in amounts reasonably necessary for testing either by us or an independent laboratory to determine whether said samples meet our then-current standards and specifications. We may require you to bear the costs of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our specifications.

You shall at all times maintain your Walk-On's in the highest degree of sanitation, repair and condition.

8.07 Your Participation in the Operation of the Walk-On's; Operating Partner and Walk-On's Manager

Unless we otherwise permit in writing, you agree to personally supervise and participate in the day-to-day operation of the Walk-On's and to devote your time, attention and best efforts to the performance of your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate). If you are licensed to operate more than one (1) Walk-On's, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Walk-On's.

You must designate an individual as the "Operating Partner" of your Walk-On's in accordance with the requirements set forth herein. If you are an individual, then you must serve as the Operating Partner. Your Operating Partner must have complete decision making authority with regard to your Walk-On's. Your Operating Partner must have authority to act on your behalf under this Agreement. Your Operating Partner is the only person who we will be required to communicate with when we seek to communicate with you. If you desire to designate a successor or replacement Operating Partner, then you must notify us in writing; identify your proposed successor Operating Partner and the reason that your predecessor Operating Partner ceased to serve; furnish us with all information we may reasonably request regarding the proposed successor; and, obtain our advance written approval, which we will not unreasonably delay or deny. If you are a business entity, within six (6) of opening your Walk-On's, your Operating Partner must be granted at least a ten percent (10%) equity interest in you. Your Operating Partner must complete the Initial Training Program to our satisfaction.

If you are an individual, you must also either serve as or designate a Walk-On's Manager. If you are a business entity, you must designate a Walk-On's Manager. The Walk-On's Manager will have day-to-day management responsibility for your Walk-On's, will exercise on-premises supervision and personally participate in the direct operation of the Walk-On's. The Walk-On's Manager must attend and successfully

complete our Initial Training Program. If you are an individual, then we recommend that you personally serve as your own Walk-On's Manager.

Upon the death, disability or termination of employment of your Walk-On's Manager, for any cause or reason, you must immediately notify us. You must designate a successor or acting Walk-On's Manager promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor Walk-On's Manager. The above protocols and procedures governing your proposal and our approval of your initial Walk-On's Manager shall apply to any successor Walk-On's Manager you may propose. Any successor Walk-On's Manager must possess those credentials set forth in our Manuals, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Walk-On's Manager will constitute a material breach of this Agreement.

8.08 Requirements Concerning Programs, Products and Services

A. Programs, Products and Services You Sell

You agree to sell all programs, products and services which are now or in the future part of the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any program, product or service which is not a part of the System or which we delete from the System.

You must maintain in sufficient supply products, materials, supplies and paper goods as conform to our then-current written standards and specifications (as set forth in the Manuals or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Walk-On's must prepare all products utilizing such preparation standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

You may not create, offer or sell any menu item that is not part of the System. If you desire to sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other Walk-On's; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

B. Proprietary Programs, Products and Services

You must purchase or lease any proprietary programs, products, supplies, equipment, materials and services used, offered or sold at the Walk-On's which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the Walk-On's concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. Proprietary products may include select food and beverage items, loyalty and app programs and any other category of programs, products, services or equipment. We (or our affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

C. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, supplies, equipment, materials and services from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. All such designated sources must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Walk-On's') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated sources and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice to you. If we revoke or delete any product, supply, equipment, component or any approved supplier, then you must cease using any such disapproved item (or any items purchased from a revoked source of supply) which are inventoried by your Walk-On's within ten (10) days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Walk-On's, for which we do not designate a required source of supply. We will set forth such specifications in our Manuals or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

If we specify any particular source of supply for any particular non-proprietary program, product, service, supply, equipment and/or material and you wish to propose an alternative source of supply, we will exercise our approval of your proposed alternative supply reasonably, in accordance with the following procedure: (1) you must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request; (2) the supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications; (3) we or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense; (4) the proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Walk-On's) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion; (5) we may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs; and, (6) nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We, our affiliate or our designee may be an approved source of supply for any such program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our affiliate. We will determine the prices we charge for any such item and will notify you of such prices at the time of sale, in our Manuals or otherwise. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other Walk-On's franchisees.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the System Advertising Fund (to be expended as provided in this Agreement). If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

D. Systemwide Supply Contracts

We may, in the exercise of our business judgment, enter into supply contracts either for all Walk-On's or a subset of Walk-On's situated within one or more geographic regions (each, a "systemwide supply contract"). We may enter in such systemwide supply contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and franchised Walk-On's in the United States, or company-owned and franchised Walk-On's in a designated geographic area, will be required to purchase, use and sell. If we do so, then immediately upon notification, you, we and all other Walk-On's (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the systemwide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We make no representation that we will enter into any systemwide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue systemwide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

8.09 Computer and Point of Sale Systems

Before the opening of the Walk-On's, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment that we specify in our Manuals or otherwise (the "computer and Point of Sale systems"). You agree to obtain and maintain high-speed communications access, such as broadband, DSL or other high-speed capacity that we require for your computer and Point of Sale systems. You also agree to maintain at all times a functioning e-mail address for your Walk-On's.

You agree to provide all assistance we require to bring your computer and Point of Sale systems online with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in computer and Point of Sale systems all data and information which we prescribe in our Manuals, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your computer and Point of Sale systems and we may retrieve from your computer and Point of Sale systems all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the computer and Point of Sale systems all information concerning the operation of the Walk-On's that we require, in the form and at the intervals that we require. Certain suppliers of required software platforms charge us ongoing fees, which we pay on your behalf and for which you are required to reimburse us. This includes software for your inventory platform and gift card and customer loyalty program. We may, at any time, require that you pay these ongoing fees directly to the vendors. You will reimburse us for these costs on a monthly basis.

If and when we develop proprietary software, programs and support services, you will be required to purchase same from us or from any such third party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not

be required to do so more than once in any calendar year. You will pay for new or updated programs and materials when you order them.

You agree, at your expense, to keep your computer and Point of Sale systems in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your computer and Point of Sale hardware, software, telephone and power lines and other computer and Point of Sale facilities as we direct, on the dates and within the times we specify in our Manuals or otherwise.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your Walk-On's such hereafter developed modes of computerization, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Manuals or other written notices.

Upon termination or expiration of this Agreement, you must return all software, disks, tapes and other magnetic storage media to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your Walk-On's computer and Point of Sale systems. You will at all times ensure that the only personnel conducting transactions on your computer or Point of Sale systems will be those who have been trained and qualified in accordance with the requirements of our Manuals.

8.10 Web Sites/Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, Instagram, Twitter, etc. We may establish one (1) or more websites accessible through one (1) or more uniform resource locators ("URL's") and, if we do, we may design and provide for the benefit of your Walk-On's a "click through" subpage at each such website for the promotion of your Walk-On's. If we establish one (1) or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each such website for the promotion of your Walk-On's, you agree to routinely provide us with updated copy, photographs and news stories about your Walk-On's suitable for posting on your Walk-On's "click through" subpage, the content, frequency and procedure of which will be specify. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at your Walk-On's – also be devoted in part to offering Walk-On's franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve (as provided in Section 3.04 above). You may not maintain your own website or social media page; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your Walk-On's, including through the use of a page or profile on a social media website such as Facebook, Instagram or Twitter; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "Walk-On's" name or any name confusingly similar thereto. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Walk-On's website we establish and maintain, including any and all material you may furnish to us as provided above.

8.11 Indemnification

You agree that you will, at your sole cost, at all times defend, indemnify and hold harmless us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the “Franchisor Parties”) to the fullest extent permitted by law, from all claims, losses, liabilities and costs (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related to any of the following:

1. Any element of your establishment, construction, opening and operations of your Walk-On’s;
2. Any claims by your creditors; any personal injury or death suffered by any customer, visitor, employee or guest of the Walk-On’s;
3. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
4. All acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Walk-On’s;
5. Crimes committed on or near the premises or facilities of the Walk-On’s;
6. Your operation of the Walk-On’s;
7. Claims of liability for food or beverage products served or sold at and from the Walk-On’s, such as food borne and other illnesses;
8. Claims of liability for products manufactured or services performed by third parties which are offered, sold or utilized by you or your Walk-On’s;
9. Your sale of alcoholic beverages from or at the Walk-On’s (including, without limitation, claims of liability under “dramshop” or “host/guest” laws rules or regulations);
10. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;
11. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, regulation, ruling, standard or directive applicable to your Walk-On’s, whether within or without the Territory, or of any industry standard;
12. Libel, slander or any other form of defamation by you;
13. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
14. Any acts, errors, neglects or omissions by you or the Walk-On’s, and/or the officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Walk-On’s (or any third party acting on your behalf or at your direction), whether in connection with the Walk-On’s or otherwise, including (without limitation) injury or death suffered or caused by any person or vehicle serving the Walk-On’s;

15. All liabilities arising from or related to your offer, sale and delivery of products, and/or services as contemplated by this Agreement;
16. Latent or other defects in the Walk-On's, whether or not discoverable by us or by you;
17. Any service or product you provide at, from or related to the operation of the Walk-On's;
18. Any action by any customer of yours or visitor to the Walk-On's;
19. Any damage to the property of you, us, any of our affiliates, or their, our or your officers, directors, management, agents, employees and contractors;
20. Any claim, action or decree that we and/or our affiliates are the employer, joint employer and/or co-employer of you and/or any of your employees, agents, servants, contractors, affiliates or representatives.

As used above, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Parties' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Parties' gross negligence, willful misconduct or criminal acts, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you.

You agree to give us written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Franchisor Party within three (3) days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Franchisor Parties and to hold us and them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. All losses and expenses incurred under this Section 8.11 will be chargeable to and paid by you pursuant to your indemnity obligations under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense. Under no circumstance will we or the other Franchisor Parties be required to seek recovery from third parties or otherwise mitigate our or their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Franchisor Parties from you.

The indemnification obligations of this Section 8.11 will survive the expiration or sooner termination of this Agreement.

8.12 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Walk-On's and any premises of your Walk-On's business, and/or visit any locations at which you have provided or are providing programs, products or services to customers or maintain business records, and inspect and audit the programs, products, and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement. We may conduct such inspections with or without prior notice to you. You shall cooperate with us or our representatives conducting such inspections by rendering any assistance as reasonably requested. Following any such inspection, you agree to take such steps as are necessary to incorporate into your Walk-On's any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.13 Intellectual Property You Develop

You hereby permanently and irrevocably assign to us any and all rights and interests (including intellectual property rights and interests) to any and all of the following which may be developed by you, or on your behalf, if developed in whole or in part in connection with your Walk-On's: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Walk-On's. We may authorize ourselves, our affiliates and/or other Walk-On's to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

8.14 Adequate Reserves and Working Capital

You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the Walk-On's for at least three (3) months. These reserves may be in the form of cash deposits or lines of credit.

8.15 Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards which we may specify in our Manuals or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes. Further, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of example only, "smart phone" payment transactions.

8.16 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in

a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.11) harmless from any and all claims and liabilities related to same. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.16 and any other proof of such compliance that we may reasonably require.

8.17 Hours of Operation

You agree to continuously operate your Walk-On's on the days and during the minimum hours that we from time to time may specify in our Manuals or otherwise. Unless notified otherwise, all Walk-On's are permitted but not required to close on Thanksgiving, Christmas Day and Easter Sunday. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations.

8.18 Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity (each, a "business entity"), you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

- A. Furnish us with all of your formation, organizational and governing documents; a schedule of all owners (indicating as to each its percentage ownership interest); any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).
- B. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the Walk-On's.
- C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

Without our prior written consent (which shall not be unreasonably withheld, delayed or denied), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of the preceding restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.19 Staffing

You agree to maintain a competent, conscientious, trained staff in sufficient numbers as may be necessary to promptly, efficiently and effectively service customers. You shall take such steps as are necessary to ensure that your employees preserve good customer relations.

8.20 Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your customers to procure customer testimonials and endorsements of the programs, products or services furnished by your Walk-On's and any related programs, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

8.21 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.05(E). If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.22 No Conflicting Agreements

During the Term of this Agreement, you may not be a party to any contract, agreement, business entity formation or governance document, mortgage, Lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

8.23 Taxes

You shall promptly pay when due all taxes levied or assessed upon your Walk-On's including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any bona fide dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your Walk-On's Location or any improvements thereon.

8.24 Government Actions

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your Walk-On's.

8.25 Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws; and (v) immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, shareholders, employees or service providers). You must also comply with payment card industry ("PCI") standards, norms, requirements and protocols, including PCI Data Security Standards.

9. INSURANCE

9.01 Your Required Insurance Coverage

A. Within ten (10) days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, at least the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your Walk-On's; all activities conducted in, at or from your Walk-On's Location; all facilities which may be situated upon your Walk-On's Location; and, all activities arising from or related to the construction, operation or occupancy of your Walk-On's and any other facilities situated on the premises of your Walk-On's. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Manuals or otherwise in writing and, as noted below, are subject to change:

1. Comprehensive General Liability with limits no less than \$1,000,000 Per Occurrence, and \$2,000,000 General Aggregate, including Personal & Advertising Injury and Products & Completed Operations.
2. Liquor liability coverage of at least \$1,000,000 Each Common Cause.
3. Special form Commercial Property Insurance on a 100% Replacement Cost Basis.
4. Business interruption insurance in sufficient amounts to cover your Walk-On's rental expenses, previous profit margins, maintenance of competent personnel and other fixed expenses for a minimum of 120 days.
5. Hired & Non-Owned Automobile Liability with limits no less than \$1,000,000 Combined Single Limit for Bodily Injury & Property Damage. If a vehicle is owned or leased to be used in conjunction with the operation of your Walk-On's, Owned or Scheduled Auto Liability is required with a \$1,000,000 Combined Single Limit.
6. Workers Compensation insurance including Employers Liability with limits no less than \$1,000,000 Each Accident, \$1,000,000 Disease – Each Employee and \$1,000,000 Disease – Policy Limit.
7. In connection with the construction, refurbishment, renovation or remodeling of your franchised Walk-On's, Builders' Risk insurance to cover 100% Replacement Value of the completed construction value or renovations and Performance and Completion Bonds in amounts acceptable to us.
8. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement.
9. Commercial Umbrella with a limit no less than \$1,000,000 per occurrence.
10. Employment Practices Liability Insurance with a limit no less than \$1,000,000 per occurrence. Coverage shall include first and third-party coverage.

B. The insurance coverage that you acquire and maintain under this Article 9 must:

1. For General Liability, Liquor Liability and Automobile Liability, contain endorsements naming us and the other Franchisor Parties identified in Section 8.11 as Additional Insured – Franchisor, with a Waiver of Subrogation and Primary and Non-Contributory wording.
2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one (1) or more of the Franchisor Parties.
3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.
4. Contains such endorsements as we may specify from time to time in the Manuals.
5. Be written on a Primary and Non-Contributory basis.
6. Provide, by endorsement, that we are entitled to receive at least 10 days prior written notice of any intent to cancel, not renew or otherwise alter or amend the policy.
7. Contain a Specific Waiver of Subrogation in favor of us, the other Franchisor Parties identified in Section 8.11 and any of successors and /or assigns.
8. Be placed with insurance companies carrying a Best's Financial Strength Rating no lower than A- and Financial Size Category no lower than XIII (\$1.25 Billion to \$1.5 Billion).

C. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

D. If there is a claim by any one (1) or more of the Franchisor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 9.01.

E. You agree that we may periodically add to, modify or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Manuals, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

9.02 Certificates of Insurance

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least 30 days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Manuals. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Parties identified in Section 8.11 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

9.03 Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04 No Undertaking or Representation

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the Walk-On's. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

9.05 Failure To Purchase Insurance or To Reimburse

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice given to you, with no opportunity to cure.

10. ADVERTISING

10.01 Administration of the System Advertising Fund

We have established the System Advertising Fund (the "Fund") for such advertising, marketing a public relations programs and materials as we deem necessary or appropriate in our sole discretion. We and/or our affiliate or designee will administer the Fund as follows:

- A. As provided in Section 5.03, you agree to pay us a System Advertising Contribution.
- B. We and/or our affiliate or designee will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Territory. The Fund is not a trust and we and/or our affiliate or designee are not fiduciaries with respect to the Fund.
- C. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local advertising, including (without limitation): television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities;

the creation, maintenance and periodic modification of Walk-On's website(s); advertising at and sponsorship of sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; organizing Walk-On's franchise conventions, shows or seminars; other activities that we and/or our affiliate or designee, in our and/or our affiliate or designee's business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees.

D. We and/or our affiliate or designee need not maintain the sums paid by franchisees to the Fund, or income earned from the Fund, in a separate account from our other funds, but we and/or our affiliate or designee may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We and/or our affiliate or designee may, however, expend monies from the Fund for any reasonable administrative costs and overhead that we and/or our affiliate or designee may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund.

E. Within 60 days following the close of our fiscal year, we and/or our affiliate or designee will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

F. We and/or our affiliate or designee expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If we and/or our affiliate or designee expend less than the total sum available in the Fund during any fiscal year, we and/or our affiliate or designee may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for them to spend on local advertising and promotion (as provided for in subsection G). If we and/or our affiliate or designee advance and expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we and/or our affiliate or designee did not expend all the sums in the Fund during the preceding year), we and/or our affiliate or designee will be entitled to reimburse ourselves from the Fund during the following fiscal year for all such advanced sums, with interest payable on such advanced sums at the greater rate of one and a half percent (1.5%) per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we and/or our affiliate or designee advance and expend any such sum).

G. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their System Advertising Contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we and/or our affiliate or designee determine that the total System Advertising Contributions collected is insufficient to sustain a meaningful regional or national advertising campaign, we and/or our affiliate or designee may rebate all or a portion of such contributions to franchisees and our (or our affiliates') company-owned Walk-On's on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we and/or our

affiliate or designee determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Manuals or otherwise.

H. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However the design and maintenance of our Web site (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Walk-On's brand and the franchise opportunity.

I. Although the Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

J. Each Walk-On's that we or our affiliates operate will contribute a percentage of Gross Revenues to the Fund identical to the System Advertising Contribution percentage contributed by franchisees.

10.02 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your Walk-On's in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your Walk-On's, the System, or other Walk-On's franchisees. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Manuals or otherwise.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three (3) days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Manuals or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved). Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within ten (10) business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. You acknowledge that our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you waive any possible claims against us to the contrary.

10.03 Grand Opening Marketing Fee, Local Advertising and Promotion

You must pay us the Grand Opening Marketing Fee of \$30,000 on the date you sign the Franchise Agreement. We will use the Grand Opening Marketing Fee to pay for promotional, publicity and marketing efforts in support of your Walk-On's opening. Such efforts may include traditional and non-traditional media placement, local marketing and publicity programs, and in-kind trade efforts. The Grand Opening Marketing Fee is only refundable if you do not open your Walk-On's.

Starting in your second month of operation, you agree to expend one percent (1%) of the previous month's Gross Revenues on local advertising and promotion. "Local advertising and promotion" means the local or regional advertising and promotional activities that we specify in our Manuals or otherwise, or approve in advance as provided in Section 10.02.

On or before January 15th of each year during the term of this Agreement, and at any other times that we may require, you agree to furnish to us copies of all statements, invoices and checks issued during the preceding year showing that you have spent the required amounts for local advertising. You further agree to furnish to us an accurate accounting of all expenditures for local advertising and promotion in the previous calendar year, at the same time that you submit the annual financial statements required by Section 11.01 below.

You will be entitled to a credit against your minimum local advertising and promotion requirement for contributions made to a regional advertising cooperative (as provided for in Section 10.04).

10.04 Regional Advertising Cooperatives

We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for any geographic area which encompasses two (2) or more Walk-On's (each a "Regional Advertising Cooperative"). We will furnish to you written notice of the establishment of any Regional Advertising Cooperative for your Territory. The notice will specify the date you are to begin contributions and the amount of the contributions. Contributions will be calculated as a percentage of Gross Revenues as defined in Section 5.04 above. Your contributions to a Regional Advertising Cooperative will not be less than one percent (1%) nor more than three percent (3%) of your Gross Revenues, unless the maximum contribution is changed by franchisee members of the Regional Advertising Cooperative in accordance with the terms of the its Bylaws. You will be entitled to a credit against your minimum local advertising and promotion requirement as set forth in Section 10.03 for contributions made to a Regional Advertising Cooperative.

Walk-On's that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Regional Advertising Cooperative on the same basis as required of franchisee members of the Regional Advertising Cooperative.

A Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Regional Advertising Cooperative, including legal and accounting services. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee.

Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 17.03, may result in this Agreement being terminated.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

11.01 Financial Statements

A. No later than 30 days following the end of each calendar quarter during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the Walk-On's profit and loss for the quarter and a balance sheet as of the end of the quarter. You must certify these statements to be true and correct.

B. No later than 90 days following the end of each of your fiscal years during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the Walk-On's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

C. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

D. No later than 30 days following your filing of the annual tax returns of the Walk-On's, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your business entity's status has been impaired.

E. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 11 then you agree to pay us a late charge of \$50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

F. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Walk-On's are not individually identified.

G. You agree to complete weekly inventories and cost accounting as prescribed in our Manuals and submit this information to us. We will own this information and, accordingly, have the right to share such information in any manner we deem fit.

11.02 Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your Walk-On's. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your Walk-On's. We may specify, in our Manuals or otherwise, the forms and media that you will be required to use in recording your Walk-On's Gross Revenues and expenditures. You agree to keep and preserve for seven (7) years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Manuals or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your Walk-On's. If you do not maintain the

required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Walk-On's and any other offices at which its activities are administered, in a fashion calculated not to disrupt the operations of your Walk-On's, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Walk-On's. These files must include (without limitation) your operating records; bookkeeping and accounting records; operating records; operating reports; correspondence; general business records; your copy of the Manuals (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the Walk-On's. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the licensed business.

C. If an audit reveals that you understated the Gross Revenues on your weekly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.05(D). If an audit reveals that you understated the Gross Revenues on your weekly reports to us by two percent (2%) or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.05(D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of eight percent (8%) or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.05(D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01 Restriction on Use of Confidential Information

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your Walk-On's. You further agree that you will never – during the Initial Term or any Renewal Term of this Agreement, or any time after this or any Renewal Agreement expires or terminates, or your rights under this Agreement or any Renewal Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or “reverse engineer” any of our Confidential Information.

“Confidential Information” means all information, knowledge, trade secrets or know-how utilized or embraced by the System or which otherwise concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, Manuals, computer files, databases or software. Confidential Information includes (without limitation): all elements of the System and all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Manuals (including Supplements to the Manuals); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your Walk-On’s; all pricing paradigms established by us or by you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Walk-On’s; the identify of, and all information relating to, the computer and point of sale hardware and software utilized by us and you; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Walk-On’s; our (and, if in the future we permit, your) internet/web protocols, procedures and content; our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us (including the financial and other reports you are required to submit to us under this Agreement); additions to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we disclosed it to you (unless illegally or improperly procured by you before our disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third party individual or business entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Manuals; and, computer databases, software and Manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your Walk-On’s is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a “need to know” basis. You agree to take all necessary precautions to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement from certain of your owners, management and staff is set forth below in Section 12.05.

12.02 Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Renewal Term of this Agreement, and (ii) within your Territory, within ten (10) miles of the perimeter of your Territory or

within ten (10) miles of the perimeter, or within, the Territory or market area (as applicable) of any other franchised or company-owned Walk-On's (regardless of how established or operated) for a period two (2) years immediately following the termination or expiration of this Agreement or any Renewal Agreement for any reason, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, sports bar, or restaurant that features menu items, products and/or services similar to any of the menu items, products and/or services offered by Walk-On's or that are now or in the future part of the System, including, by way of example and without limitation, any restaurant or sports bar that serves sandwiches, seafood, Southern Louisiana specialties, hamburgers and salads (other than a Walk-On's operated under a franchise agreement with us) (a "Competitive Business").

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the Walk-On's to any other person or business entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a Competitive Businesses. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of five percent (5%) of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial or any Renewal Term of this Agreement, and for two (2) years following the termination or expiration of same for any reason, you agree not to: (i) solicit for employment or hire our personnel, the personnel of any of our affiliates or the personnel of any other Walk-On's without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii) sell, assign, lease, sublease or otherwise grant possession of your Walk-On's or your Walk-On's Location to any individual or business entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Walk-On's or Walk-On's Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction). If you fail to obtain our written permission before hiring any of our personnel, the personnel of any of our affiliates or the personnel of any other Walk-On's as required above, which permission we may grant, deny or condition in our sole discretion, you will be required to pay us a fee of \$75,000.

It is the intention of these provisions that any person or business entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or business entity, regardless of how many levels or tiers there may be between you and the person or business entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partners, proprietors and/or other beneficial owners to refrain from any of the competitive activities described above in any manner we reasonably request.

12.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the

court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

12.04 Enforcement of Covenants Not To Compete

You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

12.05 Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D from all of the following persons:

- A. Before employment or any promotion, your Operating Partner, Walk-On's Manager and all other managerial personnel; and,
- B. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or business entity attains any status identified above after the Effective Date, within ten (10) days following such individual or business entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten (10) days following their execution.

12.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your Walk-On's who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

13. CONDITIONS TO AND PROCEDURES GOVERNING RENEWAL

13.01 Conditions to Renewal

Your right to enter into a Renewal Franchise Agreement will be conditioned on the following:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your intent to enter into a Renewal Franchise Agreement;
- B. Throughout the Initial Term and at the time of renewal you must have performed all of your material obligations and been in substantial compliance with the terms of this Agreement, the Manuals and other agreements between you and us or our affiliates;
- C. At the time of renewal you must be current on the payment of all monetary obligations relating to your Walk-On's, to us, our affiliates, the lessor or sublessor of your Walk-On's Location and any material third party supplier of yours;
- D. Before the commencement of the applicable Renewal Term, you must refurbish, redesign and/or remodel your Walk-On's as we reasonably require to meet our then current standards (in an amount which, for your first Renewal Term, shall not exceed \$250,000 and for any subsequent Renewal Term, shall not exceed \$200,000);
- E. You, your Operating Partner and your Walk-On's Manager, and any other management and staff we designate, must attend and successfully complete any training that we may reasonably require, at your expense;
- F. You must pay us a renewal fee of 25% of our then-current Initial Franchise Fee for similarly situated franchisees, but the renewal fee for the first Renewal Term will be no greater than the Initial Franchise Fee which you paid under this Agreement;
- G. You must be able to renew the Lease for your Walk-On's Location on terms acceptable both to you and us, or lease a substitute location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 6.02; and,
- H. You must have signed a General Release in the form of Exhibit G to our franchise disclosure document. This General Release will not release us from any future claims related to any Renewal Franchise Agreement but will release us from any and all claims you may have related to this Agreement.

If you have satisfied these conditions, then we will provide you with a Renewal Franchise Agreement in the manner specified in the following section.

13.02 Renewal Procedures

You must exercise your renewal right under this Agreement in the following manner:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your desire to enter into a Renewal Franchise Agreement.
- B. Within 30 days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of your Renewal Franchise Agreement in a form ready to be executed by you (together, the "Renewal Package"). You must acknowledge receipt of the Renewal Package in any fashion that we reasonably specify.

- C. No sooner than 15 days, but no later than 25 days, after you receive our Renewal Package, you must execute the Renewal Franchise Agreement and return it to us.
- D. If you have exercised your renewal right as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to renewal identified in Section 13.01 of this Agreement, then we will execute the Renewal Franchise Agreement previously executed by you and will, deliver one (1) fully executed copy of your Renewal Franchise Agreement to you.
- E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Renewal Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature will survive.
- F. **Time is of the essence with regard to this Section 13.02.**

13.03 Notice of Expiration

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

14. ASSIGNMENT

14.01 Assignment By Us

We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon "Franchisor" hereunder. Instead, all such duties and obligations will be performed solely by our assignee, and you will never assert, contend or complain otherwise.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring. You expressly waive any and all claims, demands or damages arising from or related to such activities.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities, regardless of their location, under any names or marks, excluding the Proprietary Marks within the Territory and including the Proprietary Marks outside of the Territory.

14.02 Assignment By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the franchise conveyed hereunder are therefore personal to you and are your personal obligation. Accordingly, except as provided

below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; your Walk-On's; the ownership of your Walk-On's; your Lease; or, your rights to use the System, Proprietary Marks, Confidential Information and/or Manuals may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 14 (which consent shall not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 14.06 below.

Any actual or attempted assignment, transfer or sale of this Agreement, the franchise conveyed hereunder, your Walk-On's, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 14, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

If you are a business entity, then for the purposes of this Agreement, "assignment" includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the Walk-On's, as the term "control" is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or business entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your Walk-On's; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Manuals or otherwise.

14.03 Assignment By You – To A Business Entity You Form

If you are an individual and would like to transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

- A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as "Franchisee" under this Agreement (unless we otherwise consent in writing).
- B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).
- C. If more than two (2) individuals serve as "Franchisee" hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the Walk-On's before the transfer.
- D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms,

conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit E to this Agreement.

- E. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D to this Agreement.
- F. The name of the business entity you form may not include the Proprietary Mark “Walk-On’s”, any variant thereof or any word confusingly similar thereto.
- G. The business entity must comply in all respects with the requirements and prohibitions set forth in Section 8.18 of this Agreement (“Business Entity Requirements and Records”).

Any transfer pursuant to this Section 14.03 will not be subject to our right of first refusal below and will not require you to pay to us any transfer fee.

14.04 Assignment By You – Sale To Third Party

If we do not elect to exercise our right of first refusal (as provided in Section 14.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the franchise conveyed by this Agreement, your Walk-On’s, your Lease and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

- A. That the proposed assignee (meaning the individual and business entity which, after the proposed sale, transfer or assignment, will be a franchisee under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume the duties and obligations under this Agreement and/or any successor and related agreement. You must pay the costs of any such investigation conducted by us.
- B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do, you will reimburse us for all travel, lodging, meal and personal expenses related to such meeting.
- C. That the proposed assignee has the organizational, managerial and financial structure and resources required to conduct the Walk-On’s properly, taking into account such factors (among others) as the number of Walk-On’s and market areas involved and their geographic proximity.
- D. That the proposed assignee complies with our ownership requirements relative to the control of the proposed assignee and the Walk-On’s.

- E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) complies with our restrictions relative to involvement in a Competitive Business.
- F. That the proposed assignee has the financial resources and capital necessary to operate the Walk-On's in accordance with such standards and the satisfaction of such conditions as we indicate from time to time.
- G. That the proposed assignee; his, her or its proposed Operating Partner and Walk-On's Manager; and, such other post-transaction employees of the Walk-On's attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D. We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.
- H. That, if required, the lessor or sublessor of your Walk-On's Location consents in writing to the assignment to the proposed assignee.
- I. That, as of the date of the assignment, you have cured any existing defaults under this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates (under this Agreement or otherwise), all sources of financing of your Walk-On's and all material sources of supply of your Walk-On's.
- J. That the assignee executes a new franchise agreement with us, and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new franchise agreement will be the balance of the Term of this Agreement. The execution of the new franchise agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, will survive.
- K. That the assignee has acquired, or will be able to immediately acquire following the execution of the new franchise agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the Walk-On's. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new franchise agreement.
- L. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement which arose in connection with your Walk-On's prior to the effective date of your assignee's new franchise agreement (specifically including your obligation to indemnify us and the other Franchisor Parties identified in Section 8.11) and you agree to execute any and all documents we reasonably request to further evidence such liability.

- M. That, if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Walk-On's Location to execute the Guarantee substantially in the form of Exhibit E.
- N. That the Total Sales Price of your sale, assignment or transfer is not so excessive, in our sole determination, that it jeopardizes the continued economic viability and future operations of the Walk-On's and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person in connection with, arising out of or relating to the assignment, whether money, property or other thing or service of value including consideration received for all or part of your Walk-On's; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; any consulting salary; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to the assignor or any other person in the future (including the highest possible value of any contingent future consideration).
- O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute a general release, substantially in the form of Exhibit G to our franchise disclosure document, of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Franchisor Parties through the date of execution of the assignee's new franchise agreement.
- P. That if the assignee is a business entity, all of the requirements of its new franchise agreement concerning business entities must be complied with before we will execute the new franchise agreement and, as applicable, will continue to be complied with thereafter.
- Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).
- R. That upon our request, either you and/or the proposed assignee, at your/its own expense, modify your Walk-On's to conform to our then-current standards and specifications for Walk-On's in the United States and complete such modifications, at our election, either prior to the contemplated assignment or at a later time reasonably specified by us.
- S. That you pay us a transfer fee of 50% of the then-current Initial Franchise Fee imposed on similarly situated franchisees.
- T. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business.

You expressly agree that your obligation to indemnify and hold harmless us and the other Franchisor Parties under Section 8.11 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, Operating Partner, Walk-On's Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

The provisions of Section 14.02 through Section 14.04 inclusive pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your Walk-On's to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the Walk-On's must meet such standards and conditions as we have put in place at the time you request our consent.

14.05 Assignment By You – Transfer Upon Death or Disability

If you are a business entity, then upon the death or disability of one (1) or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the Walk-On's to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of you; or, (iii) you. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your Walk-On's shall be subject to all of the provisions of Section 14.04 of this Agreement. You agree to immediately report to us all such transfers or assignments of ownership in your business entity in accordance with the procedure set forth in our Manuals or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate"). The Estate shall have a reasonable period of time (not to exceed six (6) months) following the death or disability to sell (as applicable) you or the Walk-On's in accordance with the provisions of Section 14.04 and subject to our right of first refusal under Section 14.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your Walk-On's but only if, at all times, one (1) or more approved Operating Partners and Walk-On's Managers, as necessary, of your Walk-On's is at all times supervising the operation of your Walk-On's and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one (1) of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one (1) or more approved Operating Partners and/or Walk-On's Managers, as necessary, supervising the operation of your Walk-On's on a full time basis, then until the Estate retains one (1) or more approved Operating Partners and/or Walk-On's Managers, as necessary, we may assume full control of and operate your Walk-On's, but will have no obligation to do so. If we do so, then during this period, we will deduct our expenses for travel, lodging, meals and all other expenses and fees from your Walk-On's Gross Revenues and also pay ourselves a management fee equal to the greater of: (i) two (2) times the salary paid to the individual(s) assigned by us to operate the Walk-On's, or (ii) ten percent (10%) of the Walk-On's weekly Gross Revenues. This management fee will be in addition to the Continuing Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within ten (10) days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Walk-On's. If we do so, we will not

be responsible for any operational losses of the Walk-On's, nor will we be obligated to continue operating the Walk-On's.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least 90 consecutive days. Disability will be determined either after this 90 day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

14.06 Right of First Refusal

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the Walk-On's, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where there is no such right of first refusal), which right of first refusal we may freely assign to any individual or business entity. We will exercise our right of first refusal in the following manner.

A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") including all its material terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.

B. We shall have 60 days following our receipt of the notice (or, if we request additional information, 60 days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your Walk-On's, the Operating Partner and Walk-On's Manager and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 14.04 of this Agreement must be complied with.

C. Within 60 days after our receipt of your notice (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other material terms imposed on us, as a result of our substitution for the offeror, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.

D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your business entity's ownership interests other than to any of your business entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.

E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.

F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) 60 days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.

G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Walk-On's Location to us.

H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the Walk-On's to your proposed assignee on the terms and conditions specified in the notice if you satisfy the conditions of Section 14.04 for our approval of an assignment and if you close the transaction within 60 days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within 60 days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within 30 days thereafter.

I. Our election not to exercise our right of first refusal with respect to any offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment specified in this Article 14.

14.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, the Walk-On's, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or any of the tangible assets material to the operation of your Walk-On's (including, without limitation, the premises of your Walk-On's Location). We may also require your compliance with any policy statement which we adopt and announce regarding security interests in Walk-On's. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 14.07, which approval shall be in writing.

14.08 Your Offer and Sale of Securities

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the Walk-On's, any owner and/or any Guarantor, then you must give us written notice at least 60 days prior to the date of commencement of any such offering. Any such offering shall be subject to

our right of first refusal, as set forth above in Section 14.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least 30 days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least 30 days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Parties identified in Section 8.11 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of \$10,000 or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees.

14.09 Bankruptcy

If you, your Walk-On's or any owner of you and/or your Walk-On's is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 17.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or business entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five (5) days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 14.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

“Adequate assurance of future performance”, as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form franchise agreement then being offered to our franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our franchisees’ duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must meet our then current standards for assignments set forth in Section 14.04 above.

14.10 No Waiver of our Rights

Our consent to any sale, transfer or assignment under this Article 14 shall not constitute a waiver of any claims we may have against you, your Walk-On’s, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

15. PROPRIETARY MARKS

15.01 Our Ownership of Proprietary Marks

You agree that the Proprietary Marks are our (or our affiliates’) exclusive property. You assert and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the Term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity’s name. You may never use the Proprietary Marks in connection with any other business except for the Walk-On’s. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us or our affiliates and other authorized parties.

15.02 Limitations on Your License to Use the Proprietary Marks

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates’) Proprietary Marks except as a mere privilege and license, during the Term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Manuals or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later

designate in the Manuals or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the Walk-On's, including any "local goodwill", which, you expressly agree, exclusively vests in us.

15.03 Use and Display of Proprietary Marks

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Proprietary Mark and that the Proprietary Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Proprietary Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Manuals or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the Walk-On's or in permitted advertising for the Walk-On's. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Manuals's instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your Walk-On's, including your Walk-On's' point-of-sale materials, signs, stationary, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Manuals or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Manuals. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your Walk-On's in any fashion whatsoever except as we may expressly provide in our Manuals or as we may approve in writing.

15.04 Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your Walk-On's under the assumed business name "Walk-On's Sports Bistreaux," without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to

furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself and your Walk-On's as an independently owned and operated franchised business in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Walk-On's. You agree to place this notice of independent ownership in your Walk-On's and any other facilities of your Walk-On's business and on printed materials, business cards, stationery, e-mails, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Manuals or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words Walk-On's or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, menus and all forms and stationery used by your Walk-Ons) and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe. You may not produce your own menus or make copies of the menus that we provide to you for use in your Walk-On's.

15.05 Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim and indemnify you against any loss, cost or expense incurred in connection with the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to defend or indemnify you pursuant to this Section 15.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement.

15.06 Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result

of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement.

15.07 Discontinuance or Substitution of Proprietary Marks

If now or hereafter any of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use additional or substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditure you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your Walk-On's as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You waive any claim or any such expenses, losses or damages and covenant not to commence or join in any litigation or other proceeding against us or any of our affiliates for any of these expenses, losses or damages.

16. RELATIONSHIP OF THE PARTIES

16.01 Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, joint employer, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Walk-On's does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Walk-On's and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Walk-On's, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Walk-On's.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Walk-On's. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Walk-On's.

16.02 You are the Sole and Exclusive Employer of your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your Walk-On's is at all times staffed at those levels necessary to operate your Walk-On's in conformity with the System and the products, services, standards of quality and efficiency, and other Walk-On's brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff your Walk-On's with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate your Walk-On's, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Walk-On's and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

17. DEFAULT AND TERMINATION

17.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you, the Walk-On's, or any affiliate or Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your Walk-On's are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you, the Walk-On's and/or any affiliate or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within 60 days from filing; you, the Walk-On's and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the franchised business, or any affiliate or Guarantor of the Walk-On's, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the Walk-On's and any affiliate or Guarantor of the Walk-On's is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the Walk-On's or any affiliate or Guarantor thereof; you, any affiliate or yours and any Guarantor are dissolved; execution is

levied against you, the Walk-On's, any affiliate or Guarantor thereof and/or the property of any of the foregoing; the property of your Walk-On's is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

17.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 26.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Walk-On's for business to the general public by the date specified in Section 8.01 of this Agreement; cease operating the Walk-On's; abandon the franchise relationship established under this Agreement; or, fail to operate your Walk-On's for three (3) consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 20.01 of this Agreement).
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate this Agreement.
4. You lose the right to possession of the Walk-On's Location.
5. You, your Operating Partner, your Walk-On's Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such business entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the Walk-On's, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or your Walk-On's to any third party in violation of the terms of this Agreement.
7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.
8. You, your Operating Partner, your Walk-On's Manager and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement).

9. You knowingly conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any substantially false report to us.
10. You do not maintain the financial records required by Section 11.02 of this Agreement.
11. We or our designee conducts an audit of your Walk-On's which discloses that any weekly report or statement which you submitted to us understated your Gross Revenues by eight percent (8%) or more for any month within the period of examination, or for the entire period of examination.
12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Walk-On's.
13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the Walk-On's employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.
14. After curing a default which is subject to cure under Section 17.03 below, you commit the same act of default again within six (6) months.
15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your Walk-On's.
16. You interfere or attempt to interfere in any manner with our contractual relations and/or our relationships with our other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; your or our customers, employees or advertising agencies; or, any third parties.
17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least 72 hours in advance.
18. You, any of your owners or Guarantors, your Operating Partner, and/or your Walk-On's Manager engage in any conduct which, in our opinion, adversely affects your Walk-On's reputation, the reputation of Walk On's generally, or the goodwill associated with the Proprietary Marks, including, but not limited to, failing to comply with our social media policy, publicly making any statements that contain ethnic/sexual slurs, personal insults or obscenity, or otherwise making any public statements that are inflammatory or intended to provoke conflict on controversial issues.
19. You do not comply, for a period of 15 days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the Walk-On's.
20. You repeatedly fail to comply with one (1) or more requirements of this Agreement, whether or not corrected after notice.

21. You do not purchase or maintain any category of insurance required by this Agreement.
22. You, your Operating Partner, your Walk-On's Manager and/or your Walk-On's violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
23. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three (3) days following written notice from us.
24. You purchase any proprietary programs, products or services from us or our affiliates, or purchase from us, our affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.
25. You operate your Walk-On's in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Walk-On's; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Walk-On's.
26. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Manuals, or you directly or indirectly utilize or devote same for the benefit of any individual or business entity other than your Walk-On's.
27. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.
28. You default under any agreement between you and any lessor or sublessor of your Walk-On's Location and you do not cure the default within the period specified in the Walk-On's Location's Lease.

17.03 Termination by Us – 15 Days to Cure

Except as provided in Section 17.01, 17.02 or in this Section 17.03, you will have 15 calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 26.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 17.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to substantially comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Manuals and/or all Supplements to the Manuals or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set

forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your Walk-On's. The cure period for this default shall not be the above-referenced 15 calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Manuals or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your Walk-On's offers and sells any programs, products or services that we do not authorize under this Agreement or our Manuals.
4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
6. You fail to pay any taxes due and owing by your Walk-On's (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Manuals or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.
9. You do not indemnify us and/or one (1) of the Franchisor Parties as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of the Walk-On's of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
11. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You fail to operate your Walk-On's during the days and hours specified in our Manuals or otherwise without our prior written approval.

14. You fail to maintain and operate your Walk-On's in a good, clean and sound manner and in strict compliance with our standards for quality, cleanliness and maintenance as set forth in our Manuals or otherwise.
15. If any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 31.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your Walk-On's.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. If a final material judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than 15 days or, if any such judgment is subject to appeal, you do not prosecute such appeal within 15 days (or such shorter period as any law, rule or regulation requires).

17.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

17.05 Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Continuing Royalties, System Advertising Contributions, or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other material breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

17.06 Cross Default

Any default or breach by you, your affiliates and/or any guarantor of yours of the Lease for the Walk-On's Location or any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Your "affiliates" means any persons or entities controlling, controlled by or under common control with you.

17.07 Continuance of Business Relations

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or

continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

17.08 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

18. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

18.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one (1) of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the Walk-On's.

Upon expiration or earlier termination of this Agreement for any reason, you agree to:

1. Immediately pay all Continuing Royalties, Advertising Contributions, fees, Lease payments and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.
2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Walk-On's or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Walk-On's franchisee.
3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Walk-On's", or any other Proprietary Mark of ours, or any variant, within 15 days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Walk-On's", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Walk-On's to maintain continuous operation of the previously franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably

grant) to operate the business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously franchised business.

5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 17.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor Walk-On's at the Walk-On's Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Walk-On's at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
6. Immediately deliver to us all training or other Manuals furnished to you (including the Manuals and Supplements to the Manuals), computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the Walk-On's. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.
7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
8. At our option, either change the telephone numbers utilized by your Walk-On's or, upon our written demand, direct the telephone company to transfer the telephone numbers listed for the Walk-On's to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.
9. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 12 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Walk-On's and/or Walk-On's Location to a party intending to conduct a Competitive Business thereat).
10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.
11. Immediately surrender to us all computer software, data storage and other electronic media used in the operation of the Walk-On's, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had

stored in the computer system of the Walk-On's. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer system.

12. If you lease your Walk-On's Location from a third party and we elect not to assume possession of the Walk-On's Location and/or elect not to exercise our option under Article 19 below, then promptly upon termination or expiration of this Agreement, you agree to "deidentify" the Walk-On's Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Walk-On's Location and the Walk-On's décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Walk-On's Location from a duly authorized Walk-On's. If you refuse, neglect or fail to do so, we have the right to enter upon the Walk-On's Location and effect such required changes to the former Walk-On's at your sole risk and expense, without liability for trespass.

19. OPTION TO PURCHASE

19.01 Option to Purchase Your Franchised Business

A. Upon the termination or expiration of this Agreement for any reason, or if we or a significant portion of our assets are purchased or acquired at any time during the Term (a "Sale"), we, any of our affiliates, our purchaser, our successor, and/or any nominee or designee we name are hereby granted an option, exercisable within 30 days after the termination, expiration or Sale becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the Walk-On's. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 19:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at an amount equal to their fair market value. If the parties cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 19.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our affiliate, purchaser, successor, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our affiliate, purchaser, successor, nominee or designee (as applicable) under this Article 19 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, purchaser, successor, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, purchaser, successor, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee, purchaser, successor, or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 8.11 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our affiliate, purchaser, successor, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 19.

E. To the extent you own the Walk-On's Location, you agree to lease the Walk-On's Location to us on commercially reasonable terms for the period remaining in the Initial Term or Renewal Term (as applicable) and, if we so elect, for any remaining Renewal Term(s).

19.02 Appraisals

If you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) cannot agree within a reasonable time on the fair market value of any assets we, our affiliate, purchaser, successor, nominee or designee acquire from you pursuant to this Article 19, or the commercially reasonable terms of any lease for land and facilities owned by you (or any affiliate) and utilized by the Walk-On's, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following your receipt of notice that we (or our affiliate, purchaser, successor, nominee or designee, as applicable) intend to exercise one (1) or more of the options set forth above, you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) cannot agree on the fair market value of the item in question, then you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) within the next seven (7) days shall each select one (1) appraiser and notify the other party of its designee. The two (2) appraisers you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) select will be instructed to meet within 30 days following their selection for the purpose of selecting a third appraiser to serve with them. If the two (2) appraisers selected cannot agree on the selection of the third appraiser within 15 days after the selection of the last of them, then you shall select the third appraiser from a list of three (3) appraisers we (or our affiliate, purchaser, successor, nominee or designee, as applicable) propose in writing. In the event the disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us (or our affiliate, purchaser, successor, nominee or designee, as applicable) for the Walk-On's Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Walk-On's Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Walk-On's Location, will be binding on both parties thereto. If following the appraisal we (or our affiliate, purchaser, successor, nominee or designee, as applicable) exercise any of the options set forth above, then you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) will each pay one half (1/2) of the cost of any and all such appraisals. If we (or our affiliate, purchaser, successor, nominee or designee, as applicable) do not elect to

exercise any option provided herein following the appraisals then we (or our affiliate, purchaser, successor, nominee or designee, as applicable) alone shall bear the cost of all of the appraisal. If we (or our affiliate, purchaser, successor, nominee or designee, as applicable) exercise any of the options granted above, we (or our affiliate, purchaser, successor, nominee or designee, as applicable) will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our affiliates.

19.03 Timing

If we exercise our option to purchase (or, with respect to your Walk-On's Location, lease) any of the assets of your Walk-On's as provided in this Article 19, then the Closing Date shall be no later than 60 days after either you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) agree on the fair market value of the assets in question (or, with respect to the Walk-On's Location, the commercially reasonable terms for our lease for such Walk-On's Location) or, if you and we (or our affiliate, purchaser, successor, nominee or designee, as applicable) cannot agree on same, no later than 60 days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 19.02 of this Agreement.

19.04 Buy Back Option

At any time during the Term or any renewal thereof, and for any reason - - except for expiration or termination by us, upon which events, we have the right to purchase your Walk-On's assets in the manner described in Section 19.01 - - we may purchase from you: (i) your Walk-On's; (ii) all assets of your Walk-On's, including, without limitation, all furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, supplies, and inventory related to the operation thereof; and, (iii) the franchise granted under this Agreement (collectively, the "Restaurant Assets"). We may exercise our right to purchase your Restaurant Assets (the "Buy Back Option) upon ninety (90) days' written notice of our intention to exercise the Buy Back Option. If we exercise the Buy Back Option, you will be required to sign all documents relating to the assignment and transfer of Restaurant Assets as are reasonably necessary to accomplish such transaction. The purchase price will be established by, and subject to, the following terms:

A. If your Walk-On's has been open and in operation for less than one (1) year, the purchase price will be an amount equal to two hundred percent (200%) of the cumulative cost to you for all of the Restaurant Assets.

B. If your Walk-On's has been open and in operation for one (1) year or longer, the purchase price will be an amount equal to six (6) times your Walk-On's EBITDA. "EBITDA" means, in respect of any twelve (12) month period, your Walk-On's net earnings, as reported on your most recent income statement or balance sheet covering the preceding twelve (12) month period, plus, to the extent deducted in determining such net income and without duplication: (i) your interest expenses on borrowed money for such period; (ii) your current income taxes for such period; (iii) depreciation of the Restaurant Assets for such period; and (iv) amortization of your Walk-On's for such period, all as determined in accordance with U.S. generally accepted accounting principles (commonly referred to as "GAAP"). We reserve the right to adjust EBITDA for any expenses which we determine, in our reasonable discretion, are not customary or ordinary for the operation of the Walk-On's, including, if you are a party to a development agreement for the operation of more than one Walk-On's, expenses related to back office support, administration, bookkeeping and area supervision.

C. Notwithstanding the foregoing, we may set off all amounts due from you under this Agreement or any other agreements between the parties, and the cost of the appraisal (if any), against the purchase price paid to you in connection with our exercising the Buy Back Option.

If we exercise the Buy Back Option, the closing of such transaction shall take place on the later of (i) thirty (30) days after the purchase price is determined by the parties (or, if applicable, the determination of appraisers) or, (ii) the date we receive and obtain all necessary permits and approvals, unless you and we mutually agree otherwise. For the avoidance of doubt, you understand, acknowledge and agree that we have no obligation, under any circumstance, to exercise the Buy Back Option.

20. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

20.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay. Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

21. APPROVALS AND WAIVER

21.01 Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

21.02 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

21.03 Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

21.04 No Warranty or Guaranty

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

22. OUR RIGHT TO CURE DEFAULTS

22.01 Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand by us.

23. INJUNCTION

23.01 Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with your non-compliance with this covenant.

24. INTEGRATION OF AGREEMENT

24.01 Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, no provision in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of the Walk-On's and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to you pursuant to applicable law. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish you with any financial performance information; that, if they nevertheless do, you have not relied on any such financial performance information given to you by any such individual; and, that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or

visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised Walk-On's.

25. NO ORAL MODIFICATION

25.01 No Oral Modification

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. You expressly acknowledge that no oral promises were made to you (or, if they were, that you are not relying and will not rely on any such oral promise) and that our obligations are confined exclusively to those set forth in this Agreement. You understand and assume the business risks inherent in this enterprise.

26. NOTICES

26.01 Notices

Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized overnight delivery service capable, through "signature capture" or otherwise, of documenting delivery or attempted delivery of the notice; and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Manuals a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Any notice to us will be addressed to us at:

Walk-On's Enterprises Franchising, LLC
3960 Burbank Drive
Baton Rouge, LA 70808
Attention: Scott Taylor
E-Mail: Scott@walk-ons.com

Any notice to you will be addressed to your address as set forth on the first page of this Agreement. Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

27. SEVERABILITY

27.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as

a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

28. NO THIRD PARTY BENEFICIARIES

28.01 No Third Party Beneficiaries

This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

29. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

29.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or business entity, or a combination thereof, the obligations and liabilities of each such person or business entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words “include”, “includes”, or “including” are used in a non-exclusive sense and shall be construed to mean “including without limitation”.

30. LEGAL ACTIONS, GOVERNING LAW AND VENUE

30.01 Attorneys' Fees and Costs

Except as otherwise provided by this Agreement, each party to any legal action or proceeding brought against the other party shall be responsible for his/her/its own attorneys' fees, experts' fees, court costs and all other expenses sustained in the course of such litigation (including any appeals). You acknowledge, however, that certain provisions of this Agreement provide that should we prevail in certain legal actions or proceedings against you, you must reimburse us for all costs and expenses incurred in connection with such legal actions or proceedings (including any appeal thereof), including reasonable attorneys' fees, experts' fees, court costs and all other expenses we incur.

30.02 Attorneys' Fees – Third Party Actions

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the “Franchisee Party(ies)”) and/or your Walk-On’s by virtue of statutory, “vicarious”, “principal/agent,” “joint-employer” or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

30.03 Governing Law

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state’s law as governing, again without recourse to that successor state’s (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is enforceable under the laws of Louisiana (or a successor state we designate as provided above), and if your Walk-On’s is located outside of Louisiana (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the Walk-On’s is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 30.03 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Louisiana, or any successor state we designate as provided above, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law.

30.04 Venue

Any litigation arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between the parties (as defined below); and, any and all disputes between the parties, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment in a state or federal district court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana. You hereby irrevocably submit yourself to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You agree that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to your Walk-On’s, we may bring such an action in any state or federal district court which has jurisdiction. You hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of “forum non conveniens”). As used in this section of the Agreement, the term “parties” includes all of the Franchisor Parties and all of the Franchisee Parties and, as to each of them, whether acting in their corporate or individual capacity, along with any other individual entity acting or purporting to act by, through, under or under authority granted by you.

30.05 Waiver of Jury Trial and Punitive Damages

A. The parties to this Agreement (as denominated in Section 30.04) explicitly and irrevocably waive their respective rights to a jury trial in any litigation between them which is authorized or contemplated by this Agreement, and hereby stipulate that any such trial shall occur without a jury.

B. You, your Guarantors and the other Franchisee Parties hereby explicitly and irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Parties of any actual damages sustained by you or them. You covenant to secure from any Franchisee Party which does not execute this Agreement his/her/its execution of a writing adduced by us confirming the foregoing, in such manner and by such time we reasonably specify.

30.06 No Consolidated or Class Actions

You and the other Franchisee Parties may only pursue any claim you have against us or the other Franchisor Parties in an individual legal action or proceeding. Neither you nor any other Franchisee Party shall join or combine its/their legal action or proceeding in any manner with any action or claim of any other Walk-On's franchisee, franchise owner or franchisee guarantor, nor will you, or any other Franchisee Party maintain any action or proceeding against us and the other Franchisor Parties in a class action, whether as a representative or as a member of a class or purported class, nor will you or any other Franchisee Party seek to consolidate, or consent to the consolidation of, all or part of any action or proceeding by any of them against us or the other Franchisor Parties with any other litigation against us or such other Franchisor Parties.

30.07 Limitation on Actions

Any and all legal actions or proceedings brought by you against us or the other Franchisor Parties arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within two (2) years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred.

31. LIABILITY OF "FRANCHISEE"; GUARANTEE

31.01 Liability of "Franchisee"

The terms "Franchisee," "you" and "your" as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such business entity executing this Agreement will be liable for all obligations

and duties of Franchisee under this Agreement as if each such owner or the sole franchisee under this Agreement.

31.02 Guarantee

If you are a business entity, then we require all direct and indirect owners of such business entity and any other individuals or entities we designate (the “Guarantors”) to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non-financial, by executing a guarantee substantially in the form of Exhibit E (the “Guarantee”). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or business entity Guarantor without first proceeding against you and without proceeding against or naming in the suit any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

32. SURVIVAL

32.01 Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

33. OUR BUSINESS JUDGMENT

33.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

34. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

34.01 Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your Walk-On's.
2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.
4. You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.
5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, proprietors, partners, members, managers, Guarantors, shareholders, or any other Owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.
6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

34.02 Your Acknowledgments

You represent, warrant and acknowledge to us, with the intention that we will be relying thereon in entering into this Agreement, that:

1. No representation has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of your Walk-On's, or any other Walk-On's, other than any information we may have provided in Item 19 of our franchise disclosure document, nor have we or any of the foregoing made any representations, statements or promises to you which conflict with, contravene or vary from the contents of our franchise disclosure document.

2. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you regarding our anticipated income, earnings and growth or that of the System, or the viability of the business opportunity being offered under this Agreement.
3. Before executing this Agreement, you have had the opportunity to contact all our existing franchisees.
4. You have been advised and given the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, the terms and provisions of this Agreement and the prospects for the Walk-On's, using the services of legal counsel, accountants or other advisers of your own choosing. You have either consulted with these advisors or have deliberately declined to do so.
5. You have received from us a copy of our franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least 14 calendar days before the execution of this Agreement or at least 14 calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.
6. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you regarding your ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.
7. You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement (including, without limitation, the covenants not to compete and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us; (c) are fully required to protect our legitimate business interests; and, (d) do not confer benefits upon us that are disproportionate to your detriment.
8. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

35. SUBMISSION OF AGREEMENT

35.01 Submission of Agreement

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU ARE NOT RELYING ON THEM. YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH

AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

FRANCHISEE

(Name of Corporation or Other Entity)

By: _____

Its _____
(Title)

(Print Name)

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

Its: _____
(Title)

(Print Name)

STATE ADDENDA TO FRANCHISE AGREEMENT

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

1. Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

2. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

3. Section 34.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.

4. The second sentence in Section 24.01 of the Franchise Agreement is revised as follows:

Nothing in the Franchise Agreement, however, is intended to disclaim the express representations Franchisor made in the Franchise Disclosure Document that was provided to you.

5. All references to Franchise Disclosure Document Disclosure within "ten business days" will be changed to refer to "fourteen calendar days."

6. Section 5.01 ("Initial Franchise Fee") of the Franchise Agreement is amended to add the following language:

"Your Initial Franchise Fee and other initial fees or payments to us are deferred until we have satisfied our preopening obligations to you and you commence operations of your Walk-On's Restaurant. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition."

Dated: _____

FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

ILLINOIS ADDENDUM TO OPTION AGREEMENT

1. The provisions of the option agreement contained within the Franchise Agreement, concerning governing law, jurisdiction and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Consequently, Sections 30.03 and 30.04 of the Franchise Agreement, concerning governing law and venue, insofar as they apply to the option agreement contained within the Franchise Agreement, will be deleted for all Illinois franchisees.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or Louisiana law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than Louisiana law, as stated in Section 30.03 of the Franchise Agreement.
2. Venue for litigation will not be limited to Louisiana, as specified in Section 30.04 of the Franchise Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, will supersede the provisions of Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.
6. Section 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy ") will not apply to franchises offered and sold in the State of Indiana.
7. Section 12.02 of the Franchise Agreement is revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.
8. Section 23.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
9. Section 30.05 ("Waiver of Jury Trial and Punitive Damages") is deleted from the Franchise Agreement.
10. Notwithstanding the terms of Section 8.11 of the Franchise Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____
(Print Name)

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

**INDIANA ADDENDUM TO CONFIDENTIALITY AGREEMENT/
COVENANT NOT TO COMPETE**

Notwithstanding anything to the contrary set forth in the Confidentiality Agreement/Covenant Not to Compete, the following provisions will supersede and apply:

1. The Confidentiality Agreement/Covenant Not to Compete is revised to limit the geographical extent of the covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.
2. The Confidentiality Agreement/Covenant Not to Compete is modified for all franchises sold in the State of Indiana to delete the following language:

"I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement."

Witnessed By:

(Print Name)

(Signature)

(Date)

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. Sections 13.01 (H) and 14.04 (O) of the Franchise Agreement, each of which require the execution of a General Release, are each amended to add the following language:

"The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."
2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
4. Section 30.04 of the Franchise Agreement requires venue to be limited to East Baton Rouge Parish, Louisiana. This provision is deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
5. Section 34.02 ("Your Acknowledgments") and the third paragraph of Section 35.01 ("Submission of Agreement") are deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
6. The following sentences are added at the end of the last paragraph of Section 3.04 of the Franchise Agreement ("Rights We Reserve"):

"The waivers and releases in this paragraph are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The waivers and releases in this paragraph will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."
7. The following sentence is added at the end of the third paragraph of subsection 8.08(B) of the Franchise Agreement (concerning Proprietary Products):

"This waiver is not intended to act nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
9. The following language is added to the last sentence of Section 24.01 of the Franchise Agreement ("Integration of Agreement"): "provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

(over)

10. The following sentence is added at the end of Section 25.01 of the Franchise Agreement (“No Oral Modification”) and 34.01 of the Franchise Agreement (“Your Representations”: “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

11. The following sentence is added at the end of Section 25

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON’S ENTERPRISES FRANCHISING, LLC

By: _____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 30.04 of the Franchise Agreement ("Venue"):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
4. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The second sentence of Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 23.01 of the Franchise Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The last sentence of the third paragraph of Section 8.01 of the Franchise Agreement ("Confidential Operating Manual") is amended to read as follows:

"The Manual and any additions, deletions, revisions or Supplements to the Manual are material in that they will affect the operation of the franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations."

2. Sections 13.01(H) and 14.04(O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The second sentence of Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

4. The third and fourth sentences of Section 23.01 of the Franchise Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Louisiana law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Louisiana law, as stated in Section 30.03 of the Franchise Agreement.
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
5. Item 17(i) of the Franchise Disclosure Document, Section 18.01 of the Franchise Agreement ("Further Obligations and Rights Following the Termination or Expiration of this Agreement") and Section 16.01 of the Area Development Agreement ("Other Obligations and Rights on Termination or Expiration") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement and any other agreements used in the State of North Dakota.
6. Section 30.04 of the Franchise Agreement ("Venue") is deleted from all Franchise Agreements used in the State of North Dakota.
7. Section 30.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
8. Section 30.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") and Section 18.14 of the Area Development Agreement ("Punitive Damages") each require the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements and Area Development Agreements used in the State of North Dakota.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.
2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language is added to the Franchise Agreement:

"The law governing franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota, but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing laws of Louisiana."

2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota, is deleted from the Franchise Agreement.

3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.

4. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

5. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Franchise Agreement will afford Franchisee thirty (30) days written notice with an opportunity to cure said default prior to termination.

6. Pursuant to SDCL 37-5B, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

**SBA ADDENDUM
RELATING TO
Walk-On's Enterprises Franchising, LLC
FRANCHISE AGREEMENT**

THIS ADDENDUM (Addendum) is made and entered into on _____, 20____, by **Walk-On's Enterprises Franchising, LLC**, located at **3960 Burbank Drive, Baton Rouge, LA 70808** (Franchisor), and _____, located at _____ (Franchisee).

Recitals. Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, 20____, (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit # _____ (Unit). Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.
- If the Franchisor must operate the business under Section 14.05 of the Franchise Agreement, Franchisor will operate the business for a 90 day renewable term, renewable as necessary for up to one year and the Franchisor will periodically discuss the status with the franchisee or its heirs.
- Notwithstanding anything to the contrary in Section 7.09 of the Franchise Agreement, the Franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing: (1) is at or below any maximum price cap programs established by the franchisor for its franchise system; or (2) is at or above any minimum price threshold programs established by the franchisor for its franchise system; or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by the franchisor for its franchise system.
- If the Franchisee becomes disabled under Section 14.05 of the Franchise Agreement and the parties are unable to agree as to whether the Franchisee is permanently disabled, the disability shall be determined by three Physicians chosen in the following manner. Franchisee shall select one and the Franchisor shall select one, and the two physicians so chosen shall select a third physician. The decision of the majority of the physicians so chosen shall be conclusive.
- The following is added to the end of Section 14.06 of the Franchise Agreement:
However, the Franchisor may not exercise a right of first refusal:
 - (a) If a proposed Transfer is between or among individuals (including members of their immediate families and their respective spouses) who, at the time of the

proposed Transfer, have an ownership interest in the Franchisee or the Franchise, and who have guaranteed the Franchisee's obligations under a then outstanding indebtedness which is guaranteed by the United States Small Business Administration ("SBA") (Owner/Guarantors); or

- (b) If a proposed Transfer involves a Person other than an Owner/Guarantor and the proposed Transfer involves a noncontrolling ownership interest in the Franchisee or the Franchise, unless such noncontrolling interest: (1) represents less than a 20% ownership interest in the Franchisee or in the Franchise, or (2) the Franchisor (in combination with all of Franchisor's franchisees) qualifies as a small business and the exercise of the right does not affect the eligibility of the borrower to qualify for the SBA loan guarantee program.

The Franchisor's right to approve or to disapprove a proposed Transfer or transferee, or to exercise its right of first refusal with respect to a Transfer of a controlling interest in Franchisee or the Franchise, shall not be affected by any of the foregoing provisions. If the Franchisor does not qualify as a small business under SBA regulations, the parties acknowledge and understand that the Franchisor's exercise of its right of first refusal may result in an SBA guaranteed loan becoming immediately due and payable.

- Notwithstanding anything to the contrary in Section 19.01 of the Franchise Agreement, neither the Franchisor nor its affiliates will have the option to purchase any real estate owned by the Franchisee. The Franchisor, however, may lease the real estate for the remainder of the franchisee's term (excluding additional renewals) for fair market value.
- Section 33.01 of the Franchise Agreement, which grants the Franchisor the right to use its reasonable business judgment, will not pertain to any transfer of the franchisee's business. The franchisor's consent in the event of a transfer will not be unreasonably withheld, conditioned, or delayed.
- Notwithstanding anything to the contrary in Section 14.04 J. of the Franchise Agreement the Franchisee, upon transfer, will not be bound by the terms of the new franchise agreement and guarantee performance of the transferee.
- Notwithstanding anything to the contrary in Section 6.02 of the Franchise Agreement and the Required Provisions for Lease Rider document, if the Franchisee owns the real property upon which the business is located, Franchisor only has a right to lease the premises for the remaining term of the Franchise Agreement (excluding renewals) at fair market value.
- Notwithstanding anything to the contrary in Section 14.06 C. of the Franchise Agreement, in the event that the Franchisor exercises their right of first refusal, the Franchisor will not offer to Franchisee anything less than the terms set forth in a bonafide offer from a 3rd party. Any dispute as to the value of the assets cannot be determined by the Franchisor selecting an appraiser on its own.
- Notwithstanding anything to the contrary in Section 14.06 D. of the Franchise Agreement, neither the Franchisor or its designee, will have the option to require that a partial transfer requested by the Franchisee becomes a transfer of 100% of the franchise business.

- This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid in full; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:

FRANCHISEE:

**Walk-On's Enterprises
Franchising, LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT A

FRANCHISED TERRITORY

The Territory as defined in Section 3.01 of the Franchise Agreement will consist of: a 5-mile radius around the Walk-On's Location.

The Walk-On's Location as defined in Section 3.01 of the Franchise Agreement is:

.

EXHIBIT B
PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of:



and such other and further Proprietary Marks (as defined in Section 1.01 of the Franchise Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C
REQUIRED LEASE RIDER

LEASE RIDER

This Lease Rider (this "Rider") is entered into this _____ day of _____, 20____, by and between _____, a(n) _____ ("Landlord") and _____, a(n) _____ ("Tenant") for the benefit of Walk-On's Enterprises Franchising, LLC, a Louisiana limited liability company ("Franchisor").

WHEREAS, Tenant and Franchisor have executed a Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor has granted Tenant the right to establish and operate a franchised Walk-On's Sports Bistreaux at the following location: _____ (the "Premises");

WHEREAS, Tenant and Landlord are entering into a lease agreement (the "Lease"), pursuant to which Tenant will lease the Premises from Landlord; and

WHEREAS, Franchisor has required Tenant to include certain terms in the Lease in order to protect Franchisor's rights, and Landlord has agreed to such terms.

NOW, THEREFORE, for good and valuable consideration, the receipt of which the parties hereby acknowledge, Landlord and Tenant agree as follows:

1. Landlord agrees to: (a) furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or such other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; (c) give Franchisor the opportunity, but Franchisor shall not be required, to cure any default by Tenant or other lessee under the Lease within 15 days following the expiration of any applicable cure period if Tenant and/or such other lessee fail to cure such default; and (d) to furnish to Franchisor, at Franchisor's request, a copy of any sales or operating information for the Premises provided by Tenant. All notices to Franchisor shall be sent to the following address: Walk-On's Enterprises Franchising, LLC, 3960 Burbank Drive, Baton Rouge, LA 70808, Attn: Scott Taylor (scott@walk-on's.com), unless Landlord is notified otherwise in writing by Franchisor. No notice to Tenant shall be effective unless and until a copy thereof is served upon Franchisor.

2. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant and/or another lessee under the Lease, then Franchisor may, at its option, succeed to Tenant's and/or such other lessee's interests under the Lease and shall be recognized by Landlord as the lessee or sublessee thereunder for the remaining term of the Lease.

3. Landlord agrees that the expiration of the Franchise Agreement (unless Tenant enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement prior to expiration shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's and/or any other lessee's interests as the new lessee or sublessee under the Lease.

4. Landlord agrees that upon the termination or expiration of the Lease, Franchisor shall have the first right of refusal to lease the Premises as the new lessee or sublessee.

5. Landlord agrees that Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect its franchise

system, trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

6. Landlord agrees that upon the expiration or termination of the Franchise Agreement, Franchisor shall have the right to enter the Premises and remove any trade fixtures, interior or exterior signs or other items bearing its trademarks. Landlord agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress.

7. Landlord agrees that, if Franchisor succeeds to Tenant's and/or any other lessee's interests under the Lease for any reason, Franchisor shall have the right to further assign the lease or to sublease the Premises to either an entity owned or controlled by Franchisor, or to another Walk-On's Sports Bistreaux franchisee upon obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed by Landlord. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

8. Upon Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor shall be entitled to all of Tenant's rights and interests in the Lease, as if Franchisor were the tenant under the Lease, including, by way of example and not limitation, the right to exercise any and all renewal options thereunder, without the need for any further action or instrument.

9. Landlord and Tenant expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Landlord and Tenant further agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises its right to assume the Lease under this Addendum.

10. In the event of any inconsistency between the terms of this Rider and the terms of the Lease, the terms of this Rider control. All of the terms of this Rider, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Rider may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Rider that makes specific reference to this Addendum and which must be approved in writing by Franchisor. This Addendum may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

LANDLORD

_____, a

By: _____
Name: _____
Its: _____

TENANT

_____, a

By: _____
Name: _____
Its: _____

EXHIBIT D
CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

**(Owner, Shareholder, Officer, Director,
Attorney, Employee, Etc.)**

_____ ("Franchisee") is a franchisee of Walk-On's Enterprises Franchising, LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, customers or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to ; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; Franchisor's Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately

following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any Competitive Business, if the other business is located within Franchisee's Territory, within ten miles of the boundaries of Franchisee's Territory, or within ten miles of (or within) any other Walk-On's Restaurant's Territory (whether Company-owned, franchised or otherwise established and operated).

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I agree not to solicit for employment or hire Franchisor's personnel, the personnel of any of Franchisor's affiliates or the personnel of any Walk-On's Restaurant without first obtaining written permission from the Franchisor and the employer(s) of the personnel in question. If I fail to obtain such written permission, I will be required to pay Franchisor a fee of \$75,000.

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final

decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Louisiana, and if the franchised Business is located outside of Louisiana and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

(Print Name)

(Signature)

(Date)

EXHIBIT E
GUARANTEE OF
WALK-ON'S ENTERPRISES FRANCHISING, LLC FRANCHISE AGREEMENT

**GUARANTEE OF
WALK-ON'S ENTERPRISES FRANCHISING, LLC FRANCHISE AGREEMENT**

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated the _____ day of _____, 20____, between Walk-On's Enterprises Franchising, LLC ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of Louisiana, and if the business franchised under the Franchise Agreement is located outside of Louisiana and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

Signature

Printed Name

Address

Signature

Printed Name

Address

EXHIBIT F

ACKNOWLEDGMENT ADDENDUM

As you know, you and we intend to enter into a Franchise Agreement for the operation of a Walk-On's Restaurant franchise. This Acknowledgment Addendum must be completed prior to the final execution of a Franchise Agreement. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and the operation of a Walk-On's Restaurant franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you or a representative receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing this Acknowledgment Addendum and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document or Franchise Agreement? Check one: ☐ Yes or ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee or other person speaking on behalf of Walk-On's Enterprises Franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Walk-On's Restaurant location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes or ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Walk-On's Enterprises Franchising, LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: ☐ Yes or ☐ No. If yes, please comment: _____
-
7. Do you understand that that the franchise granted is for the right to develop and operate a Walk-On's Restaurant within the Territory, as stated in Franchise Agreement Section 2.01, and that, according to Franchise Agreement Section 3.04, we and our affiliates have the right, regardless of the proximity to your Walk-On's Restaurant, to: (i) engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities; (ii) offer and sell under the Proprietary Marks, any and all programs, products or services and/or their components or ingredients (including those used or sold by your franchise), whether or not a part of the Walk-On's System, through any alternative method of distribution except for a Walk-On's Restaurant of the same type franchised to you hereunder; (iii) offer and sell (directly, or through other franchisees or licensees) Walk-On's System programs, products and services at any and all nontraditional locations; and that, (iv) we and/or our affiliates alone have the right to sell Walk-On's System programs, products and services to national, regional and institutional accounts. Check one: ☐ Yes or ☐ No. If no, please comment: _____
-
8. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Restaurant, meaning that any prior oral or written statements not set out in the Disclosure Document or Franchise Agreement will not be binding? Check one: ☐ Yes or ☐ No. If no, please comment: _____
-
9. Do you understand that the success or failure of your Walk-Ons Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the "Walk-On's" trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Walk-Ons Restaurant may change? Check one ☐ Yes ☐ No. If no, please comment: _____
10. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Franchise Agreement Sections 12.02 and 18.01(9) and that an injunction is an appropriate remedy to protect the interests of the Walk-On's System if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in Franchise Agreement Sections 12.02 and 18.01(9), such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one ☐ Yes or ☐ No. If no, please comment: _____
-
11. On the receipt page of the Disclosure Document you identified _____ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this

transaction? Check one () Yes or () No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

APPROVED ON BEHALF OF
WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: Scott Taylor

Title: President, Chief Operating Officer

Date: _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT B

AREA DEVELOPMENT AGREEMENT AND RELATED MATERIALS

WALK-ON'S ENTERPRISES FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

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EXHIBITS

A DEVELOPMENT TERRITORY

B FIRST UNIT FRANCHISE AGREEMENT YOU AND WE WILL SIGN

C CONFIDENTIALITY/NON-COMPETITION AGREEMENT

D GUARANTEE

WALK-ON'S ENTERPRISES FRANCHISING, LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____ day of _____, _____ between WALK-ON'S ENTERPRISES FRANCHISING, LLC, a Louisiana limited liability company with its principal office at 3960 Burbank Drive, Baton Rouge, LA 70808 ("we," "us," "our" or "Franchisor") and _____, whose principal address is _____ ("you", "your" or "Area Developer").

1. INTRODUCTION

1.01 The Walk-On's Sports Bistreaux, System and Proprietary Marks

As a result of the expenditure of time, skill, effort and money, we and our affiliates have developed a proprietary system (the "System") for opening and operating Walk-On's Sports Bistreaux (a "Walk-On's"), which are Louisiana themed sports grills offering a variety of fresh, cooked to order, menu items such as sandwiches, seafood, Southern Louisiana specialties, hamburgers and salads and other programs, products and services related thereto (the "System"). The System makes use of the marks "Walk-On's," "Walk-On's Sports Bistreaux," and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (together, the "Proprietary Marks").

1.02 The Area Development Business

You wish to operate an area development business (the "Area Development Business") that obtains the right to acquire and operate Walk-On's in the geographical territory(ies) (the "Development Territory") set forth in Exhibit A and pursuant to a development schedule (the "Development Schedule") defined and set forth in Section 6.01. We wish to grant you the right to acquire and operate Walk-On's in the Development Territory and pursuant to the Development Schedule subject to the terms, covenants and conditions set forth in this Agreement.

2. GRANT OF AREA DEVELOPMENT RIGHTS

2.01 Area Development Rights

We grant you, and you accept, the right and obligation to acquire and operate the Area Development Business, and to develop Walk-On's in the Development Territory and pursuant to the Development Schedule, subject to the terms, covenants and conditions of this Agreement and the terms of each Unit Franchise Agreement (referred to individually as a "Franchise Agreement" and collectively as the "Franchise Agreements") entered into between you and us, and all agreements related to the Franchise Agreements.

3. DEVELOPMENT TERRITORY

3.01 Territorial Grant

You undertake to open and operate the number of Walk-On's identified in Section 6.01 within the Development Territory.

3.02 Exclusivity

Your Development Territory is non-exclusive. Within the Development Territory, we, our parent, and our or our parent's affiliates, subsidiaries and designees (together, the "Affiliates") may own and operate ourselves, and may grant other third parties the right to own and operate Walk-On's Sports Bistreaux and/or any other businesses. Notwithstanding the foregoing, we and our Affiliates will be prohibited from owning and operating ourselves, and from granting other third parties the right to own and operate, a Walk-On's within the "Territory" of each individual Walk-On's you develop in connection with this Agreement to the extent set forth in each subject Franchise Agreement.

3.03 Rights We Reserve

You acknowledge that we and our Affiliates may now have and/or may later acquire or develop certain rights and intellectual property which are not designated as part of the System and the rights to which are not granted to you hereunder. Accordingly, you acknowledge that this Agreement does not create any form of franchise or license with respect to those rights, all of which remain our sole and exclusive property. We reserve all rights not expressly granted in this Agreement, which will not be qualified or diminished in any way by implication.

For example, and without limitation, within and outside of the Development Territory, we or our Affiliates may own and operate or authorize others to own and operate Walk-On's (subject only to the territorial restrictions provided in Franchise Agreement, while the Franchise Agreement remains in effect) and engage in or authorize others to engage in any form of business whatsoever, including the sale of System programs, products and services under the Proprietary Marks.

Further, we and our Affiliates alone may sell - - within and outside the Development Territory and within the Territory of any individual Walk-On's granted under a Franchise Agreement - - System programs, products and services, at wholesale or retail, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; supermarkets, grocery stores and convenience stores; mail order; catalogs; television sales; or, any other channel of distribution whatsoever.

You also understand and agree that we and/or our Affiliates have the right to offer and sell (directly, or through other franchisees or licensees) - - within and outside the Development Territory and within the Territory of any individual Walk-On's granted under a Franchise Agreement - - System programs, products and services at any and all nontraditional locations, through the establishment of Walk-On's, limited-service or fast casual Walk-On's, kiosks, mobile units, concessions or "shop in shops". "Nontraditional locations" include sports arenas and venues; resorts; food retailers (including supermarkets, grocery stores and convenience stores); malls and mall food courts; schools and universities; hospital and healthcare facilities; airports; cruise ships; guest lodging facilities; government facilities; military bases and installations; and, any other location or venue to which access to the general public is restricted.

You further agree that we and/or our Affiliates alone have the right to sell System programs, products and services - - within and outside the Development Territory and within the Territory of any individual Walk-On's granted under a Franchise Agreement - - to national, regional and institutional accounts. "National, regional and institutional accounts" are organizational or institutional customers whose presence is not confined to your Development Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Development Territory; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Development Territory. Only we and/or our Affiliates have the right to enter into contracts with national, regional and/or institutional accounts (which may include facilities within your Development Territory). If we receive orders for any System programs, products or services calling for delivery or performance in your Development Territory as a result of our engaging in commerce with national, regional and institutional accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our Affiliate or another franchisee and not with you, then we, our Affiliate or any other franchisee may serve the customer within your Development Territory, and you will not be entitled to any compensation.

You waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

For the purposes of this Agreement, an “Affiliate” of an individual or entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that person or entity.

4. TERM

4.01 Term

Unless sooner terminated in accordance with its provisions, the term (“Term”) of this Agreement begins on the Effective Date and ends on the sooner of the actual or scheduled Date of Execution (as defined in Section 6.01 below) of the last Franchise Agreement executed pursuant to this Agreement.

5. AREA DEVELOPMENT FEE

5.01 Area Development Fee

In consideration of our execution of this Agreement, you agree to pay us an area development fee equal to 50% of the applicable Initial Franchise Fee (i.e., \$30,000 per Walk-On’s) multiplied by the aggregate number of Walk-On’s you are required to establish and operate pursuant to Section 6.01 of this Agreement (the “Area Development Fee”). The Area Development Fee is payable in full when you sign this Agreement and will be fully earned when paid. You recognize that we have incurred administrative and other expenses in relation to this Agreement, and that our development opportunities have been lost or curtailed as a result of the territorial rights granted to you in this Agreement. Therefore, we will not refund the Area Development Fee in whole or in part, under any circumstance.

For each Walk-On’s you are required to establish and operate pursuant to Section 6.01 of this Agreement, you will receive a credit of 50% against the Initial Franchise Fee due when you sign the Franchise Agreement for the particular Walk-On’s.

6. DEVELOPMENT SCHEDULE

6.01 Development Schedule

For so long as this Agreement is in effect and you are not in default under the terms of this Agreement or any Franchise Agreement, you will have the right and obligation to execute Franchise Agreements for, and commence operations of, Walk-On’s pursuant to the Development Schedule below. The Development Schedule sets forth: (i) the deadline by which you must execute the Franchise Agreement for each respective Walk-On’s (the “Date of Execution”) and, (ii) the deadline by which you must commence operations of each respective Walk-On’s (the “Commencement of Operations Date”).

Walk-On’s Number	Date of Execution of Franchise Agreement	Commencement of Operations Date
1		
2		
3		
4		
5		
6		
7		

8		
9		
10		

You may not develop or commence operations of more than the number of Walk-On's set forth above without first obtaining our written consent.

A Walk-On's will be considered "developed" if: (a) the Franchise Agreement for the Walk-On's has been signed by you and us, and (b) the Walk-On's has commenced operations in accordance with such Franchise Agreement.

6.02 Failure to Fulfill Development Obligations

Except as provided in Section 17.01 below ("Unavoidable Delay or Failure to Perform Force Majeure"), if you fail to adhere to the Development Schedule in Section 6.01 by either: (i) failing to execute the applicable Franchise Agreement for each Walk-On's on or before the Date of Execution specified above; or (ii) failing to commence operations of each Walk-On's on or before the applicable Commencement of Operations Date specified above, then this will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 below, will entitle us to terminate this Agreement immediately.

Notwithstanding the foregoing, termination of this Agreement for failure to adhere to the Development Schedule will not constitute the termination (constructive or otherwise) of any individual Franchise Agreement(s) - entered into by you and us - so long as you have already commenced operations of the subject Walk-On's developed in connection therewith and have otherwise fully complied with all obligations under such Franchise Agreement(s).

6.03 Time is of the Essence

Subject to the provision of Section 17.01 below ("Unavoidable Delay or Failure to Perform Force Majeure"), your timely performance of your obligations under Article 6 of this Agreement is of material importance and is of the essence to this Agreement.

7. EXECUTION OF FRANCHISE AGREEMENTS

7.01 Execution of Franchise Agreements

You and we will execute a Franchise Agreement for each Walk-On's provided for in the Development Schedule. Each Franchise Agreement will be in the form of our then-current Franchise Agreement, modified as follows: (i) your Initial Franchise Fee (as defined in the Franchise Agreement) will be modified as specified in Section 5.01 above, and (ii) the Continuing Royalty (as defined in the Franchise Agreement), System Advertising Contribution (as defined in the Franchise Agreement), and local advertising requirements imposed on you will not be greater than those set forth in the first Franchise Agreement that you will sign (a copy of which is attached to this Agreement as Exhibit B). Each Franchise Agreement will be executed according to the following procedure:

(1) Not less than thirty days before the scheduled Date of Execution of the Franchise Agreement for the franchise to be conveyed, we will deliver to you a copy of our then-current applicable Walk-On's Franchise Disclosure Document, including our then-current applicable Walk-On's Franchise Agreement, modified as provided above (collectively, the "Franchise Disclosure Document").

(2) Promptly upon receipt of the Franchise Disclosure Document, you must acknowledge receipt by executing the Receipt form prescribed in the Franchise Disclosure Document and promptly returning the Receipt to us.

(3) No sooner than fifteen calendar days but no later than twenty business days after you receive our Franchise Disclosure Document, you must, by written notice, notify us as to whether you elect to execute our then-current form of Franchise Agreement (modified as provided above) for the Walk-On's.

(4) Promptly upon our receipt of your notice electing to execute our then-current form of Franchise Agreement (modified as provided above), we will deliver to you two execution copies of the Franchise Agreement. Promptly upon receipt thereof, you must execute both copies of same and return them to us.

If you fail to perform any of the acts or fail to deliver any of the notices required under this Section in a timely fashion, this will constitute a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

8. OUR DUTIES

8.01 Duties of Franchisor

So long as you are not in default under this Agreement or any of the Franchise Agreements, we will grant you the right and obligation to acquire and operate Walk-On's in the Development Territory - - pursuant to the Development Schedule and upon those terms and conditions set forth in this Agreement, each Franchise Agreement entered into between you and us, and all other documents related thereto - - and to use the System, as it may be changed, improved, modified or further developed from time to time, solely in connection with each Franchise Agreement. In addition, we will offer and perform the training, instruction, assistance and other activities provided for under, and subject to the terms, conditions and covenants of, the Franchise Agreements.

9. YOUR DUTIES

9.01 Payments to Us

In addition to any and all other payments required under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand: (i) all sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our Affiliates (excluding any corporate income taxes imposed on us or our Affiliates) because we or our Affiliates have furnished services or products to you or collected any fee from you; (ii) all amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason; and, all amounts due to us (and/or our Affiliates) for any other reason. All such payments due to us are to be made in the manner we specify, which may change from time to time.

9.02 Compliance with Franchise Agreement and Laws, Rules and Regulations

You agree to abide by and faithfully adhere to the terms of each Franchise Agreement signed pursuant to this Agreement. You further agree to operate the Area Development Business and each Walk-On's you develop in strict compliance with all applicable laws, rules and regulations of all governmental authorities, including but not limited to the following: (i) compliance with all applicable wage, hour and other laws and regulations of the federal, state and local governments; (ii) preparation and filing of all necessary tax returns; (iii) payment of all taxes imposed upon you in connection with the Area Development Business; and, (iv) obtaining and maintaining in good standing all necessary licenses, permits and other required forms of governmental approval required of you.

9.03 Indemnification

You hereby agree that you will, at your sole cost, at all times defend, indemnify and hold harmless us and our Affiliates, and the corporate affiliates, subsidiaries, successors, assigns and designees, directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees") to the fullest extent permitted by law, from all claims, loss, liability and costs (including court costs, attorneys' fees and experts' fees) incurred in connection with

any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether reduced to judgment) or any settlement which actually or allegedly, directly or indirectly arises out of, is based upon, is a result of or is related to any of the following:

1. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
2. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;
3. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, rule or regulation;
4. Libel, slander or any other form of defamation by you;
5. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
6. Any acts, errors, neglects or omissions by you and/or your officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives (or any third party acting on your behalf or at your direction); and/or
7. Any damage to the property of you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, employees and contractors.

You agree to give us written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Indemnitee within three days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify and hold harmless us and the other Indemnitees.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. Under no circumstances will we or the other Indemnitees be required to seek recovery from third parties or to otherwise mitigate losses in order to maintain a claim against you. You agree that any failure to pursue recovery from third parties or to mitigate losses will in no way reduce the amounts recoverable by us or the other Indemnitees from you. The indemnification obligations of this Section 9.03 will survive the expiration or sooner termination of this Agreement.

9.04 Business Entity Franchisee Requirements

If you are a business entity, you must comply with the following requirements (which will also apply to any business entity assignee of yours):

1. Furnish us with your articles of incorporation, bylaws, partnership, agreement, limited partnership agreement, limited liability company agreement and other governing documents; list of officers, directors, shareholders, partners (limited and general), proprietors or members (including type, number and percentage of interests held); the Confidentiality/Non-Competition Agreements required under Section 11; and any other documents we may reasonably request, and any amendments to them.
2. Confine your activities exclusively to the operation of the Area Development Business, and the Walk-On's developed in connection therewith, and ensure that your governing documents limit your activities as such.

3. Maintain stop transfer instructions against the transfer on the records of any of your equity securities, and not issue or have outstanding any securities on the face of which the following printed legend does not legibly and conspicuously appear:

“The transfer of this security is subject to the terms and conditions of an Area Development Agreement with Walk-On’s Enterprises Franchising, LLC, dated _____. Reference is made to the provisions of the Area Development Agreement and to the governing documents of this issuer. This certificate is not transferable and is not subject to sale, assignment, pledge, mortgage, encumbrance, or transfer, by operation of law or otherwise, without the prior written consent of Walk-On’s Enterprises Franchising, LLC.”

4. Maintain a current list of all owners of record and all beneficial owners of any class of your capital stock, general or limited partnership interests, membership interests or similar interests, and furnish this list to us on request.

5. Ensure that your organizational documents expressly restrict the assignment (as defined in Section 12.02) of any direct or indirect ownership interest in you, including your equity interests, and provide that such documents may not be modified without our prior written consent.

9.05 Best Efforts; Cooperation with Us

You agree to act in good faith; to use your best efforts to comply with your obligations under this Agreement; and, to cooperate with us in accomplishing the purposes of this Agreement.

9.06 Your Participation in Operations

You agree to devote your full time and efforts to the performance of your duties under this Agreement, and acknowledge that the failure to do so will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 of this Agreement, will entitle us to immediately terminate this Agreement.

9.07 Regional Manager

You must satisfy certain senior staffing requirements for the sole purpose of protecting the quality of the Walk-On’s brand. Once you open your fourth Walk-On’s in your Development Territory, you must hire 1 full-time multi-unit regional manager who will oversee the operation of up to 10 Walk-On’s Restaurants in your Development Territory. After you have hired your first multi-unit regional manager, you must have 1 full-time multi-unit regional manager for each 10 Walk-On’s Restaurant in your Development Territory (*i.e.*, when you have a total of 11 Walk-On’s Restaurants in your Development Territory, you must hire a second multi-unit regional manager).

9.08 Terrorism

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury’s Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a “Specially Designated National or Blocked Person” (as defined below) or to an entity in which a “Specially Designated National or Blocked Person has an interest. For the purposes of this

Agreement, “Specially Designated National or Blocked Person” means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a “specially designated national or blocked person” or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

10. CONFIDENTIAL INFORMATION

10.01 Restriction on Use of Confidential Information

You agree that you will not, during the Term of this Agreement or at any time thereafter, divulge to or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning your or our systems of operation, programs, services, products, customers or practices and/or pertaining to the System and the Walk-On’s network which may be communicated to you. Any and all information, knowledge, know-how, techniques and information which we, our Affiliates, or their respective officers, designate as confidential will be deemed confidential for purposes of this Agreement, except with respect to information which you can demonstrate came to your attention before our disclosure or information which, at or after the time of our disclosure to you, has become a part of the public domain through publication or communication by others.

11. COVENANTS NOT TO COMPETE

11.01 Covenants Not to Compete

You agree that during the Term of this Agreement, and for two years immediately following the expiration or termination of this Agreement for any reason, within the geographical area(s) described below, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, sports bar, or restaurant that features menu items, products and/or services similar to any of the menu items, products and/or services offered by Walk-On’s or that are now or in the future part of the System (a “Competitive Business”). A Competitive Business includes, by way of example and without limitation, any restaurant or sports bar that serves sandwiches, seafood, Southern Louisiana specialties, hamburgers and salads (other than a Walk-On’s operated under a franchise agreement with us).

During the Term of this Agreement, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by your Area Development Business to any other person or entity.

For two years immediately following the expiration or termination of this Agreement for any reason, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within your Development Territory, within ten miles of the perimeter of your Development Territory, or within ten miles of the perimeter of (or within) any Walk-On’s (whether company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or the provision of any assistance or transmission of information of any kind which would be of any material assistance to a Competitive Business. Nothing in this Section will prevent you from owning, for investment purposes, no more than an aggregate of 5% of the capital stock of any Competitive Business you do not control and whose stock is listed on the New York Stock Exchange or the

National Association of Securities Dealers Automated Quotation System. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to or through you be bound by the provisions of this covenant.

You agree to obtain the execution of our Confidentiality/Non-Competition Agreement (Exhibit C) from the following persons and to cause them to refrain from the competitive activities described above: (i) any personnel you employ who have received or will receive training from us, all your other managerial employees and any other persons to whom you grant access to confidential information, and (ii) if you are a business entity, all your officers, directors, equity holders, members and those of any business entity directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status). You must furnish us with copies of all signed Confidentiality/Non-Competition Agreements no later than ten days following their execution.

You agree to prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed pursuant to this Section 11.01 and you acknowledge our right, to be exercised in our sole business judgment, to ourselves enforce the terms of each executed Confidentiality/Non-Competition Agreement.

11.02 Enforcement of Covenants Not To Compete

You acknowledge that violation of the covenants not to compete set forth in this Agreement would result in immediate and irreparable injury to us, for which no adequate remedy at law will be available. You therefore consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of these covenants not to compete, without the necessity of our posting any bond or security. You agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our confidential information, know-how, methods and procedures. You also agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

11.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 11 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You agree to be bound by any lesser covenant subsumed within the terms of this Article 11 as if the resulting covenants were separately stated in and made a part of this Agreement.

12. ASSIGNMENT

12.01 Assignment By Us

We will have the right to assign this Agreement, and all of our rights and privileges hereunder to any person, firm, corporation or other entity; provided however, that if the assignment results in the performance by the assignee of our functions under this Agreement, the assignee must at the time of the assignment be financially responsible and economically capable of performing our obligations under this Agreement, and the assignee must expressly assume and agree to perform these obligations.

You acknowledge that we will have the right to sell our company, our assets, the Proprietary Marks and/or the System to a third party; sell privately or publicly some or all of our securities; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and that we and our Affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as Walk-On's operating under the Proprietary Marks or any other marks following the purchase,

merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Development Territory and near your Walk-On's. You waive all claims, demands or damages arising from or related to the foregoing assignment, sale, purchase, merger, acquisition, affiliation and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, breach of contract or breach of the implied covenant of good faith and fair dealing.

12.02 Assignment By You – General

Your rights and obligations under this Agreement are personal because we have entered into this Agreement in reliance on and in consideration of your singular personal trust, confidentiality, skill and qualifications (or, if you are an entity, on the personal trust, confidentiality, skill and qualifications of your owners and employees). Therefore, except as provided below, neither your interest in this Agreement nor your rights, privileges or obligations under this Agreement, the Area Development Business, the Walk-On's or you (if you are a business entity) (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you), may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, in one or a series of related transactions, by operation of law or otherwise (each, an "assignment"), without first obtaining our written consent. Any assignment in violation of this Article 12 will be null, void and of no effect.

12.03 Assignment By You – To A Business Entity You Form

We will not unreasonably withhold or delay our consent to your assignment to a business entity that you form solely for the convenience of entity ownership if all the following conditions are met:

1. The business entity is newly formed and each requirement in Sections 9.04 and 18.15 has been satisfied.
2. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had before the assignment.
3. You and the new entity sign an agreement with us under which you and the new entity are jointly and severally liable for all the obligations under this Agreement and are bound by all the terms, covenants and conditions of this Agreement.
4. Each present and future equity holder in the new entity signs our Confidentiality/Non-Competition Agreement in the form of Exhibit C to this Agreement.

12.04 Assignment By You – Transfer Upon Death or Disability

Upon your death or long-term disability (if you are an individual) or the death or disability of any "Key Equityholder" as defined below (if you are a business entity), that individual's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate"). "Key Equityholder" means a 25% or more shareholder, member, partner or proprietor, as of the Effective Date.

The Estate may continue operating the Area Development Business if: (i) it provides a competent and qualified individual acceptable to us to serve as area business manager and to operate your Area Development Business on a full-time basis, and (ii) this individual assumes full-time operation of the Area Development Business as a business manager within one month of the death or disability. If the Estate does not designate an area business manager or the Estate's designated area business manager does not assume the full-time operation of the Area Development Business within one month, this will be a material breach of this Agreement which, unless cured by the Estate as provided in Section 15.03, will result in this Agreement being terminated immediately.

12.05 No Encumbrance

You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Area Development Business or any Franchise Agreement(s) entered into connection herewith, in any manner without our prior written permission, which permission we may withhold for any or no reason.

13. PROPRIETARY MARKS

13.01 Not a License of the Proprietary Marks

You acknowledge and agree that nothing contained in this Agreement will be deemed to constitute a license to you to use or display any of the Proprietary Marks in any manner. You will acquire a limited, non-exclusive license to use the Proprietary Marks upon execution of, and solely in the manner specifically set forth under, Franchise Agreements executed by you and us pursuant to this Agreement.

13.02 Non-Use of Trade Name

If you are a business entity, you may not use the Proprietary Marks or any confusingly similar words or symbols, in your business entity name. In particular, you may not use the words “Walk-On’s,” “Walk-On’s Enterprises Franchising, LLC,” or any variant as part of your business entity name.

13.03 Injunction

You explicitly affirm and recognize the unique value and secondary meaning attached to the System and the Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other Walk-On’s franchisees. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the Term of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you hereby consent to the entry of these temporary and permanent injunctions.

14. RELATIONSHIP OF THE PARTIES

14.01 Independent Contractor; No Third Party Beneficiaries

You are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, joint employer, agency, employment or fiduciary relationship of any kind. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose. You will be solely responsible for your employees and all employment related decisions, including, without limitation, decisions concerning wages and benefits, hiring and discharging, training and supervision and work schedules. You are not empowered to, and may not, make any express or implied agreements, warranties, guarantees or representations or incur any debt or other obligations in our name or for our account (or for those of any of our Affiliates). Except as expressly provided in this Agreement, we will have no control of or access to your funds or their expenditure or in any other way exercise control over your Area Development Business or Walk-On’s.

You agree to conspicuously identify yourself, your Area Development Business, your Walk-On’s, and any other facilities used by your Area Development Business or Walk-On’s, in all dealings with third parties, as an independent business. You further agree to place notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the manner that we specify and require from time to time, in our manual or otherwise.

All of our obligations under this Agreement are to you alone and no other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

14.02 Your Required Means of Identification

You agree that you will do business and be identified as an area developer, but will not do so as an agent of Walk-On’s Enterprises Franchising, LLC.

15. DEFAULT AND TERMINATION

15.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you, the Area Development Business or any of the Walk-On's are adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you, the Area Development Business or any of the Walk-On's and is not immediately contested and/or dismissed within sixty days from filing; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the Area Development Business or any of the Walk-On's or assets of thereof is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of your assets or property is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you, the Area Development Business or any of the Walk-On's; you are dissolved; execution is levied against you, the Area Development Business or any of the Walk-On's, or your property; or, the real or personal property of you, the Area Development Business or any of the Walk-On's is sold after levy thereon by any governmental body or agency, sheriff, marshal or constable.

15.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and we will have the right to terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure, effective immediately upon your receipt of notice (which, whether sent by certified mail, registered mail, overnight courier or personal physical delivery, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
2. You and we mutually agree in writing to terminate this Agreement.
3. You (or any principal of a corporate, partnership, proprietorship or other entity franchisee) are convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your duties under this Agreement and/or your operation of any of the Walk-On's, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
4. You (or any principal of a corporate, partnership, proprietorship or other entity) purport to transfer any rights or obligations under this Agreement, any interest in you, the Area Development Business or any of the Walk-On's to any third party in violation of the terms of this Agreement.
5. You do not comply with the covenant not to compete; violate the restrictions pertaining to the use of confidential information; or, do not obtain the execution of the additional covenants required in Article 11 of this Agreement.
6. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving or affecting your obligations under this Agreement, the Area Development Business or the operations of the Walk-On's.
7. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.
8. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.

9. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of your Walk-On's, other Walk-On's, us or the System.

15.03 Termination by Us – Fifteen Days to Cure

Except as specifically provided elsewhere in this Agreement, you will have fifteen calendar days following our delivery of written notice to you to cure any default under this Agreement and provide us with evidence that you have done so. If you have not cured any default within that time, this Agreement will terminate immediately, unless we otherwise agree in writing. You will be in default of this Agreement for any failure to comply with any of your obligations under this Agreement.

15.04 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, then we (or our Affiliate) will have the right to terminate all the other agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your "affiliates" include any persons or entities controlling, controlled by, or under common control with you.

15.05 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

16. OTHER OBLIGATIONS AND RIGHTS ON TERMINATION OR EXPIRATION

16.01 Other Obligations and Rights on Termination or Expiration

Following the expiration or sooner termination of this Agreement, you understand, acknowledge and agree that you will have no right to develop or operate any additional Walk-On's without first obtaining our express written consent, which we may withhold without cause. Further, upon expiration or sooner termination of this Agreement for whatever reason, as applicable, you agree to:

1. Immediately pay all sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.
2. If we terminate because of your default, pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to the Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new area developer for the Development Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you and any of the Walk-On's at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
3. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

4. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 11 of this Agreement.
5. Continue to abide by those restrictions pertaining to the use of our confidential information, trade secrets and know-how set forth in Article 10 of this Agreement.

16.02 No Prejudice

The expiration or termination of this Agreement will be without prejudice to our rights against you; will not relieve you of any of your obligations to us at the time of expiration or termination; and, will not terminate any of your obligations which, by their nature, are intended survive the expiration or termination of this Agreement.

17. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

17.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance or non-performance of any duties under this Agreement that is not our or your fault or within our or your reasonable control (as applicable) will not constitute a breach or cause a default under this Agreement; provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay ("Force Majeure"). Force Majeure includes, but is not limited to, the following: fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and, any other similar event beyond such party's control). Notwithstanding the foregoing, if any Force Majeure continues for more than one hundred and eighty days, we will have the right, at any time after such time period but during the continuance of such Force Majeure, to terminate this Agreement upon thirty days advance written notice to you.

18. ADDITIONAL PROVISIONS

18.01 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting any of the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor be construed to be, our waiver of any breach of any term, covenant or condition of this Agreement.

18.02 Notice of Our Alleged Breach

You agree to give us immediate written notice of any alleged breach or violation of this Agreement after you have constructive or actual knowledge of, or believe, determine or are of the opinion that there has been, an alleged breach of this Agreement by us, including any acts of misfeasance or nonfeasance. Notwithstanding anything to the contrary in Section 18.01 above, if you do not give written notice to us of any alleged breach of this Agreement within one year from the date that you have knowledge of, or believe, determine or are of the opinion that there has been an, alleged breach by us, then our alleged breach will be considered to be condoned, approved and waived by you and will not be considered to be a breach of this Agreement by us, and you will be permanently barred from commencing any action against us for the alleged breach or violation.

18.03 Our Right To Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you on demand.

18.04 Our Withholding of Consent – Your Exclusive Remedy

If you make any claim or assertion that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Agreement, you agree that your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions, for specific performance or for declaratory judgment.

18.05 Integration of Agreement; No Oral Agreements or Representations

Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, all exhibits to this Agreement and all related agreements signed at the same time as this Agreement: (i) constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements, and (ii) supersede and cancel any prior and/or contemporaneous oral or written communications (whether described as representations, inducements, promises, agreements or any other term) between you or anyone acting on your behalf and us or anyone acting on our behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties with respect to the subject matter hereof and that no reliance is being or will be placed on any such written or oral communications; provided, however, that nothing in this Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document that we provided to you.

No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon either party unless it is in writing, specifically identified as an amendment to this Agreement or waiver of any of the provisions of this Agreement, and signed by the party against whom enforcement of such writing is sought.

18.06 Notices

Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally, by certified mail (return receipt requested, postage prepaid) or by documented overnight delivery with a reputable carrier; and, will be deemed effective on the date that delivery is documented to have been first attempted. Any notice to us will be addressed to us at:

Walk-On's Enterprises Franchising, LLC
3960 Burbank Drive
Baton Rouge, LA 70808
Attention: Scott Taylor, President and Chief Operating Officer

Any notice to you will be addressed to your address as set forth on the first page of this Agreement. Either party to this Agreement may, in writing, on ten days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

18.07 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile execution signatures will be considered as binding and conclusive as if original, provided, however, that any party so executing must use all commercially reasonable efforts to furnish to the other party(ies) the originally executed document(s) at the earliest opportunity.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and

conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. Each reference in this Agreement to a corporation or partnership will also refer to a limited liability company, general or limited partnership, and any other entity or similar organization. Each reference to the organizational documents, shareholders, directors, officers and stock of a corporation in this Agreement will also refer to the functional equivalents of the organizational documents, shareholders, directors, officers and voting and/or equity rights, as applicable, in the case of a limited liability company, general partnership, limited partnership or any other entity or similar organization (this specifically includes members and managers, general and limited partners, membership interests and general and limited partnership interests).

18.08 Business Judgment

You and we recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the System. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge may substitute his or her judgment for the judgment we have so exercised. "Business judgment" is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

18.09 Exercise of Rights

You understand and agree that whenever we have reserved a right in this Agreement, we have the uncontrolled and unfettered right to do what we have reserved.

18.10 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

18.11 Attorneys' Fees and Costs of Enforcement

The prevailing party will be entitled to recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect the prevailing party's rights under this Agreement, to enforce the terms of this Agreement, or in any action commenced or joined in by the other party against the prevailing party.

18.12 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or

governed by (as applicable) the law of the State Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Louisiana, and if the Area Development Business is located outside of Louisiana and the provision would be enforceable under the laws of the state in which the Area Development Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section 18.12 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

18.13 Venue

Any litigation arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. You agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana. You hereby waive and covenant never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

18.14 Punitive Damages

In no event will we be liable to you for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You hereby waive and covenant never to advance any such claim for punitive damages.

18.15 Guarantee

If you are a business entity, the following persons must sign our standard form Guarantee (Exhibit D) concurrently with the execution of this Agreement or at such later time as they assume such status: (i) if you are a corporation or limited liability company, all shareholders or members (as applicable) owning 5% or more of your issued and outstanding stock or membership interests, as applicable; (ii) if you are a partnership, all general partners owning a 5% or greater interest in you; and, (iii) if you are a limited partnership, the general partner and all shareholders owning a 5% or greater interest in the general partner.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity (each, a "guarantor") without first proceeding against you and without proceeding against or naming in the suit any other guarantors. Your obligations and those of each guarantor will be joint and several. Notice to or demand upon guarantor will be considered notice to or demand upon you and all guarantors, and no notice or demand need be made to or upon all guarantor. The cessation of or release from liability of you or any guarantor will not relieve any other guarantor from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

18.16 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement is intended, by its nature, to survive the termination or expiration and therefore will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

18.17 Your Additional Acknowledgments

You acknowledge, warrant and represent to us that:

1. No representation has been made, and neither you nor any of your affiliates has relied on any statement made by us or our Affiliates (or any of our or their employees, directors, officers, agents or salespersons), as to (i) the future or past income, expenses, sales volume or

potential profitability, earnings or income of your Area Development Business or any other franchised or company-owned Walk-On's; (ii) our anticipated income, earnings and growth or that of the Walk-On's network; or, (iii) your ability to procure any required license or permit that may be necessary to operate your Area Development Business.

2. Before executing this Agreement, you have had the opportunity to contact all our existing area developers and franchisees.
3. You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisers (if you so elect) of your own choosing. You have been advised to consult with your own advisers with respect to the legal, financial and other aspects of this Agreement, the Area Development Business, and the prospects for the Area Development Business. You have either consulted with these advisors or have deliberately declined to do so.
4. You have received from us a copy of our Franchise Disclosure Document at least fourteen calendar days before the execution of this Agreement or the payment by you to us of any consideration in connection with the sale or proposed sale of the area development rights granted under this Agreement.
5. You have carefully considered the nature and extent of the restrictions upon you and the rights and remedies conferred upon you under this Agreement. Such restrictions, rights and remedies: (i) are reasonable, including, but not limited to, their term and geographic scope; (ii) are designed to preclude competition which would be unfair to us; (iii) are fully required to protect our legitimate business interests; and, (iv) do not confer benefits upon us that are disproportionate to your detriment.
6. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

19. SUBMISSION OF AGREEMENT

19.01 Submission of Agreement

The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU ARE NOT RELYING ON THEM.

YOU HAVE READ ALL OF THIS AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS IN THIS AGREEMENT.

[Signatures on following page]

AREA DEVELOPER

(Name of Corporation or Other Entity)

By: _____

Its _____

(Title)

(Print Name)

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

Its: _____

(Title)

(Print Name)

STATE ADDENDA TO AREA DEVELOPMENT AGREEMENT

ILLINOIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT

1. Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

2. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
3. Your rights upon termination and non-renewal of a franchise are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. Section 5 ("Area Development Fee") of the Area Development Agreement is amended to add the following language:

"Your Area Development Fee and other initial fees or payments to us are deferred until we have satisfied our preopening obligations to you and you commence operations of your first Walk-On's Restaurant. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition."

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

INDIANA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Area Development Agreement or Louisiana law if such provisions are in conflict with Indiana law. The Area Development Agreement will be governed by Indiana law, rather than Louisiana law, as stated in Section 18.12 of the Area Development Agreement.
2. Venue for litigation will not be limited to East Baton Rouge Parish, Louisiana, as specified in Section 18.13 of the Area Development Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the area franchise without good cause or in bad faith, good cause being defined therein as a material breach of the area development agreement, will supersede the provisions of Article 15 of the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not to Compete") will not apply to area franchises offered and sold in the State of Indiana.
6. Section 18.04 of the Area Development Agreement ("Our Withholding of Consent – Your Exclusive Remedy ") will not apply to area franchises offered and sold in the State of Indiana.
7. Section 11.01 of the Area Development Agreement is revised to limit the geographical extent of the post-term covenant not to compete to Area Franchisee's Development Territory for all area franchises sold in the State of Indiana.
8. Section 13.03 of the Area Development Agreement ("Injunction") will not apply to area franchises offered and sold in the State of Indiana.
9. Section 18.14 ("Punitive Damages") is deleted from the Area Development Agreement.
10. Notwithstanding the terms of Section 9.03 of the Area Development Agreement ("Indemnification"), Area Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Area Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Area Development Agreement and will apply to all area franchises offered and sold under the laws of the State of Maryland:

1. The laws of the State of Maryland may supersede the Area Development Agreement, including the areas of termination and renewal of the Area Franchise.
2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Area Franchise.
3. Section 18.13 of the Area Development Agreement requires venue to be limited to East Baton Rouge Parish, Louisiana. This provision is deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
4. The third paragraph of Section 19.01 ("Submission of Agreement") is deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
5. The following sentences are added at the end of the last paragraph of Section 3.02 of the Area Development Agreement ("Exclusivity"):

"The waivers and releases in this paragraph are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The waivers and releases in this paragraph will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."
6. The following language is added to the last sentence of Section 18.05 of the Area Development Agreement ("Integration of Agreement; No Oral Agreements or Representations"): "provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
7. The following sentence is added at the end of Section 18.17 of the Area Development Agreement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

MINNESOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 18.13 of the Area Development Agreement ("Venue"):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Area Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides area franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that area franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the area development agreement.
4. Franchisor will protect Area Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Area Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The second sentence of Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Area Development Agreement, the following provisions will supersede and apply to all area franchises offered and sold under the laws of the State of New York:

1. The second sentence of Section 11.02 of the Area Development Agreement is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

2. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

NORTH DAKOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Area Development Agreement or Louisiana law if such provisions are in conflict with North Dakota law. The Area Development Agreement will be governed by North Dakota law, rather than Louisiana law, as stated in Section 18.12 of the Area Development Agreement ("Governing Law").
2. Any provision in the Area Development Agreement which designates jurisdiction or venue or requires the Area Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Area Development Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Section 16.01 of the Area Development Agreement ("Other Obligations and Rights on Termination or Expiration") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
5. Covenants restricting competition in the State of North Dakota, such as those found in Section 11.01 of the Area Development Agreement ("Covenants Not to Compete"), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
6. Section 18.13 of the Area Development Agreement ("Venue") requires that the franchisee consent to the jurisdiction of courts in Louisiana. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
7. Section 18.14 of the Area Development Agreement ("Punitive Damages") requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

RHODE ISLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. Any provision in the Area Development Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Area Development Agreements issued in the State of Rhode Island.
2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____

AREA FRANCHISEE:

(Name of Entity)

By: _____

Dated: _____

WALK-ON'S ENTERPRISES FRANCHISING, LLC

By: _____

EXHIBIT A
DEVELOPMENT TERRITORY

EXHIBIT A

DEVELOPMENT TERRITORY

Your Development Territory, as defined in section 1.02 of the Area Development Agreement, is as follows:

EXHIBIT B

FIRST FRANCHISE AGREEMENT TO BE EXECUTED BY AREA DEVELOPER

SEE SAMPLE FRANCHISE AGREEMENT AND ITS EXHIBITS

ATTACHED AS EXHIBIT A TO THIS FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C
CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

**(Owner, Shareholder, Officer, Director,
Attorney, Employee, Etc.)**

_____ ("Area Developer") is an area developer of Walk-On's Enterprises Franchising, LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the "Area Development Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Area Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Developer and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Area Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to the Walk-Ons System; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the Walk-Ons System; Franchisor's Confidential Operating Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the Walk-Ons System; additions to, deletions from, and modifications and variations of the components constituting the Walk-Ons System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Area Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of one year immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Area Development Agreement contemplates will be engaged in by Area Developer under the Franchise Agreements; or, which offers or sells any other service, product or component which now or in the future is part of the Walk-Ons System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within Area Developer's Development Territory, within ten miles of the boundaries of Area Developer's Development Territory, or within ten miles of (or within) any other Development Territory or Walk-Ons Restaurant Territory (whether Company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Area Developer do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Area Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Developer (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including

reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Louisiana, and if the franchised Business is located outside of Louisiana and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

(Print Name)

(Signature)

(Date)

EXHIBIT D
GUARANTEE OF
WALK-ON'S ENTERPRISES FRANCHISING, LLC AREA DEVELOPMENT
AGREEMENT

**GUARANTEE OF
WALK-ON'S ENTERPRISES FRANCHISING, LLC AREA DEVELOPMENT AGREEMENT**

In consideration of the execution by Franchisor of the Area Development Agreement (the "Area Development Agreement") dated the _____ day of _____, _____, between Walk-On's Enterprises Franchising, LLC ("Franchisor") and _____ ("Area Developer") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Area Development Agreement and in any other agreement(s) by and between Area Developer and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Area Development Agreement may be amended, compromised, released or otherwise altered by Franchisor and Area Developer, and the undersigned do guarantee and promise to perform all the obligations of Area Developer under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Area Development Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Area Developer may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Area Developer, any of the undersigned, any party to the Area Development Agreement or any other person.

Should Area Developer be in breach or default under the Area Development Agreement or any other agreement(s) by and between Area Developer and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Area Developer and without proceeding against or naming in such suit any other Area Developer, signatory to the Area Development Agreement or any others of the undersigned.

Notice to or demand upon Area Developer or any of the undersigned shall be deemed notice to or demand upon Area Developer and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Area Developer or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Area Development Agreement, or under any other agreement(s) between Franchisor and Area Developer, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Area Development Agreement or any other agreement(s) by and between Area Developer and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of Louisiana without recourse to Louisiana (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of Louisiana, and if the business franchised under the Area Development Agreement is located outside of Louisiana and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Louisiana or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in East Baton Rouge Parish, Louisiana. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Area Development Agreement.

Signature

Printed Name

Address

Signature

Printed Name

Address

Signature

Printed Name

Address

EXHIBIT C
FINANCIAL STATEMENTS

Financial Report

Walk-On's Enterprises Franchising, L.L.C.

December 25, 2019



Financial Report

Walk-On's Enterprises Franchising, L.L.C.

December 25, 2019

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Walk-On's Enterprises Franchising, L.L.C. Baton Rouge, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Members,
Walk-On's Enterprises Franchising, L.L.C.,
Baton Rouge, Louisiana.

We have audited the accompanying financial statements of Walk-On's Enterprises Franchising, L.L.C. which comprise the balance sheets as of December 25, 2019 and December 26, 2018, and the related statements of income and changes in members' equity and cash flows for the periods then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Policy

As discussed in Notes 2h and 6 to the financial statements, the Company adopted new guidance in FASB Accounting Standards Codification ("ASC") Topic 606, "*Revenue from Contracts with Customers*". Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Walk-On's Enterprises Franchising, L.L.C. as of December 25, 2019 and December 26, 2018, and its results of operations, changes in members' equity and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Bougeon Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
April 10, 2020.

BALANCE SHEETS**Walk-On's Enterprises Franchising, L.L.C.**
Baton Rouge, Louisiana

December 25, 2019 and December 26, 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current		
Cash	\$ 846,678	\$ 760,931
Accounts receivable	2,584,723	2,347,917
Notes receivable	700,000	700,000
Advances to related parties	6,124,696	4,285,231
Prepaid expenses	6,139	4,453
Other assets	25,975	25,975
Total current assets	<u>\$10,288,211</u>	<u>\$8,124,507</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued expenses	\$ 124,302	\$ 79,422
Advances from related parties	163,981	61,051
Deferred revenues:		
Franchise fees - unopened locations	1,122,000	1,107,000
Franchise fees	30,333	-
Royalties	40,199	306,937
Other liabilities	420,000	-
Total current liabilities	<u>1,900,815</u>	<u>1,554,410</u>
Noncurrent		
Deferred revenues:		
Franchise fees - unopened locations	4,848,000	4,503,000
Franchise fees	170,000	-
Total noncurrent liabilities	<u>5,018,000</u>	<u>4,503,000</u>
Total liabilities	6,918,815	6,057,410
<u>MEMBERS' EQUITY</u>		
Members' Equity	3,369,396	2,067,097
Total liabilities and members' equity	<u>\$10,288,211</u>	<u>\$8,124,507</u>

See notes to financial statements.

STATEMENTS OF INCOME AND
CHANGES IN MEMBERS' EQUITY

Walk-On's Enterprises Franchising, L.L.C.
Baton Rouge, Louisiana

For the periods ended December 25, 2019 and December 26, 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Royalties	\$5,677,093	\$4,353,144
Franchise fees	507,000	480,000
Franchise transfer fees	20,000	-
Interest income	14,000	14,466
Other revenues	-	7,500
	<u>6,218,093</u>	<u>4,855,110</u>
Expenses		
Advertising and promotions	53,215	33,849
Automobile expense	269	1,729
General and administrative	59,553	45,322
Management fees	840,000	480,000
Meals and entertainment	205,340	150,880
Miscellaneous	-	29,253
Payroll taxes	166,321	104,104
Professional fees	194,045	346,401
Recruiting	2,999	1,795
Salaries and benefits	2,240,923	1,399,259
Seminars	65,413	41,430
Supplies and operating expense	113,760	91,883
Taxes and licenses	3,020	101
Telephone expense	14,947	9,663
Travel and lodging	788,656	479,912
	<u>4,748,461</u>	<u>3,215,581</u>
Total expenses	<u>4,748,461</u>	<u>3,215,581</u>
Net income	<u>1,469,632</u>	<u>1,639,529</u>
Members' Equity		
Beginning of year, as originally reported	2,067,097	427,568
Cumulative effect adjustment (Note 6)	<u>(167,333)</u>	<u>-</u>
Beginning of year, as restated	<u>1,899,764</u>	<u>427,568</u>
End of year	<u><u>\$3,369,396</u></u>	<u><u>\$2,067,097</u></u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Walk-On's Enterprises Franchising, L.L.C.**

Baton Rouge, Louisiana

For the periods ended December 25, 2019 and December 26, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Net income	\$ 1,469,632	\$ 1,639,529
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in assets:		
Accounts receivable	(236,806)	(55,960)
Prepaid expenses	(1,686)	(1,419)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	44,880	(28,879)
Deferred revenues	(388,738)	(302,457)
Other liabilities	420,000	-
	<u>1,307,282</u>	<u>1,250,814</u>
Net cash provided by operating activities		
	<u>1,307,282</u>	<u>1,250,814</u>
Cash Flows from Investing Activities		
Issuance of notes receivable, net of repayments	-	(700,000)
	<u>-</u>	<u>(700,000)</u>
Cash Flows from Financing Activities		
Advances to related parties, net	(1,736,535)	(1,587,370)
	<u>(1,736,535)</u>	<u>(1,587,370)</u>
Net Increase (Decrease) in Cash	(429,253)	(1,036,556)
Cash		
Beginning of year	760,931	1,797,487
	<u>760,931</u>	<u>1,797,487</u>
End of year	<u>\$ 331,678</u>	<u>\$ 760,931</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Walk-On's Enterprises Franchising, L.L.C.
Baton Rouge, Louisiana

December 25, 2019 and December 26, 2018

Note 1 - ORGANIZATION AND NATURE OF BUSINESS

Walk-On's Enterprises Holdings, LLC ("Walk-On's") is the sole member of Walk-On's Enterprises Franchising, L.L.C. (a limited liability company) (the "Company"), which was formed in 2014 to expand the Walk-On's brand across the country utilizing the franchise business model. The Company is supported by Walk-On's and offers potential franchisees support in real estate selection, construction, training, marketing, and operations.

The Company franchises Walk-On's Bistreaux & Bars and Walk-On's Half Courts restaurant. The Company currently has thirty-three operating locations in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas, and five of these locations are operated by related parties. Seven of these locations were opened during the period ended December 25, 2019. Two locations that were previously franchised were transferred to related parties during the year ended December 25, 2019. The Company expects to have an additional 25 franchises operating during the period ending December 30, 2020.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company issues its financial statements on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

b. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Cash and Cash Equivalents

The Company considers all demand deposits at commercial banks and highly liquid debt instruments with original maturity dates of three months or less to be cash equivalents. There were no cash equivalents as of December 25, 2019 and December 26, 2018.

d. Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Collection losses have historically not been significant. As of December 25, 2019 and December 26, 2018, management concluded that based on its review of accounts receivable balances outstanding, a valuation allowance was not required.

e. Deferred Revenues

Deferred revenues consists of certain initial franchise fees and prepaid royalties paid by franchisees upon entering into a franchise arrangement with the Company. Under the franchise arrangement, the Company is obligated to provide training and other startup services to the franchisees prior to opening. The Company considers its obligations under the franchise arrangement met and revenue from the initial franchise fee recognized when the initial and first year performance obligations are met by the Company, and the remaining portion of the franchise fee is recognized on a straight-line basis over the term of the franchise agreements. Franchisees that enter into an agreement with the Company by purchasing existing franchises that are already operating pay an agreed upon amount of prepaid royalties in lieu of the initial franchise fee or pay an initial franchise fee. The Company recognizes the prepaid royalties as they become due from the franchisees.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Other Liabilities

Other liabilities consist of area development fees deemed refundable by the Company due to cancelling or amending the area development agreement. Other liabilities totaled \$420,000 as of December 25, 2019. There were no other liabilities as of December 26, 2018.

g. Advertising Costs

Advertising costs are generally charged to operations in the period incurred. Advertising and promotional costs totaled \$53,215 and \$33,849 for the periods ended December 25, 2019 and December 26, 2018, respectively.

h. Revenue Recognition

The Company transitioned to Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Accounting Standards Codification (ASC) Topic 606, "*Revenue from Contracts with Customers*" (ASC 606), from ASC Topic 605, "*Revenue Recognition*", and ASC Subtopic 952-605, "*Franchisors - Revenue Recognition*" (together, the "previous standards") on December 27, 2018 using the modified retrospective transition method. See Note 6 for further information about the transition to this new revenue recognition model using the modified retrospective transition method.

Franchise Revenues

Franchise revenues consist primarily of royalties and initial and renewal franchise fees. Under franchise agreements, the Company provides the franchisees with (i) a franchise license and development agreements, (ii) pre-opening services, such as training and inspections, and (iii) ongoing services, such as restaurant monitoring, menu items, and inspections. The services provided under the franchise agreements are highly interrelated and dependent upon the franchise license. As a result, it is concluded that the services do not represent individually distinct performance obligations. Consequently, the Company has bundled the franchise license performance obligation and promises to provide services into a single performance obligation under ASC 606, which the Company satisfies by providing the right to certain services over the term of the franchise agreements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Franchise Revenues (Continued)

Royalties are calculated as a percentage of franchise restaurant sales over the term of the franchise agreement. Initial and renewal franchise fees will be recognized on a straight-line basis over the new terms of the agreement. The Company's franchise agreement royalties represent sales-based royalties that are entirely related to the Company's performance obligation under the franchise agreement and are recognized as franchise sales occur. Additionally, under ASC 606, certain initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement, while other initial franchise fees are recognized in the year when the performance obligations are met by the Company. Under the previous standards, initial franchise fees were recognized as revenue when the related restaurant commenced operations. Renewal franchise fees will be recognized on a straight-line basis over the new terms of the agreement. The Company's performance obligation under area development agreements generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise restaurant opened by the franchisee. The pro rata amount apportioned to each restaurant is accounted as an initial franchise fee.

i. Income Taxes

The Company is considered a disregarded entity for Federal and state income tax purposes. As such, the sole member reports the Company's taxable income or loss on its income tax return. Accordingly, no provision for income tax is made by the Company.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 25, 2019, management believes that the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statement or notes to the financial statement. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended December 28, 2016 and later remain subject to examination by the taxing authorities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the FASB issued a new single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Company adopted this new guidance on December 27, 2018. See Note 6, "*Revenue Recognition*", for further information about the Company's transition to this new revenue recognition model using the modified retrospective transition method.

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, "*Statement of Cash Flows*" (Topic 230). ASU 2016-18 requires that a Statement of Cash Flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018. Management adopted the provisions of this ASU effective December 27, 2018. The adoption of this accounting standard did not have an impact on the financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, "*Leases*" (Topic 842). ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Balance Sheet upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statements of Income, Statements of Changes in Member's Equity, and the Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Reclassification

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 financial statement presentation.

l. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statement. Subsequent events have been evaluated through April 10, 2020, which is the date the financial statement was available to be issued.

Note 3 - CONCENTRATIONS OF RISK

The Company maintains its cash balances in a local financial institution where accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. As of December 25, 2019, the Company had approximately \$617,000 in uninsured bank deposits.

Note 4 - NOTE RECEIVABLE

On March 24, 2018, the Company extended a note receivable with an affiliate in the amount of \$1,000,000. The note receivable had a balance of \$700,000 as of December 25, 2019 and December 26, 2018. The note receivable was due on demand or March 24, 2020, whichever occurred first and carried an interest rate of 2%. The note was paid off on February 14, 2020. The Company recognized \$14,000 and \$14,466 of interest income related to the note receivable during the periods ended December 25, 2019 and December 26, 2018, respectively. (See Note 5.)

Note 5 - RELATED PARTY TRANSACTIONS

Advances to related parties totaling \$6,124,696 and \$4,285,231 as of December 25, 2019 and December 26, 2018, respectively, relate to transfers of prepaid royalties and prepaid franchise fees. Advances from related parties are for management fees and other operating expenses that were funded by related parties and totaled \$163,981 and \$61,051 as of December 25, 2019 and December 26, 2018, respectively.

Accounts receivable from related parties of \$15,608 and \$351 as of December 25, 2019 and December 26, 2018, respectively, relate to operating expenses paid for a related party. Accounts payable to related parties of \$46,431 and \$28,243 as of December 25, 2019 and December 26, 2018, respectively, relate to operating expenses paid by a related party.

Note 5 - RELATED PARTY TRANSACTIONS (Continued)

Pursuant to a management agreement, the Company engages WOE Operations to administer the Company's general operations and negotiate franchise arrangements with potential franchisees. Management fees paid to WOE Operations were \$840,000 and \$480,000 during the periods ended December 25, 2019 and December 26, 2018, respectively.

The Company executed a note receivable agreement with an affiliate in the amount of \$1,000,000. The balance on the note receivable was \$700,000, as of December 25, 2019 and December 26, 2018. (See Note 4.)

Note 6 - REVENUE RECOGNITION

Revenue from Contracts with Customers

The Company transitioned to ASC 606 from the previous standards on December 27, 2018 using the modified retrospective transition method. The \$167,333 cumulative effect of the Company's transition to ASC 606 is reflected as an adjustment to beginning 2019 members' equity.

The Company's transition to ASC 606 represents a change in accounting principle. ASC 606 eliminates industry-specific guidance and provides a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of ASC 606 is that a reporting entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled for the exchange of those goods or services.

Note 6 - REVENUE RECOGNITION (Continued)

Deferred Revenues - Franchise Fees

Deferred revenues consist of certain initial and renewal franchise fees paid by franchisees resulting from initial and renewal franchise fees paid by franchisees, as well as upfront fees paid by area developers, which are generally recognized on a straight-line basis over the term of the agreement. The Company classifies these contract liabilities as deferred revenues on the Balance Sheets. The following reflects the change in deferred revenues between December 27, 2018 (the date of adoption) and December 25, 2019:

Balance as of December 27, 2018	\$5,777,333
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(48,000)
Increase, excluding amounts recognized as revenue during the period	861,000
Transfers out to other liabilities for cancelled area development agreements or franchise agreements pending refunds to developers	<u>(420,000)</u>
Balance as of December 25, 2019	<u>\$6,170,333</u>

The following illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied as of December 25, 2019:

Year Ending December	Franchise Fees	Franchise Fees - Unopened Locations
2020	\$ 30,333	\$1,122,000
2021	22,333	1,246,000
2022	22,333	1,219,000
2023	22,333	1,471,500
2024	22,333	249,500
Thereafter	<u>80,668</u>	<u>662,000</u>
Total	<u>\$200,333</u>	<u>\$5,970,000</u>

Note 6 - REVENUE RECOGNITION (Continued)

Financial Statement Impact of Transition to ASC 606

The Company transitioned to ASC 606 using the modified retrospective method on December 27, 2018. The cumulative effect of this transition to applicable contracts with customers that were not completed as of December 27, 2018 was recorded as an adjustment to members' equity as of this date. As a result of applying the modified retrospective method to transition to ASC 606, the following adjustments were made to the Balance Sheet as of December 27, 2018:

	As Reported December 26, 2018	Total Adjustments	As Adjusted December 26, 2018
<u>ASSETS</u>			
Current			
Cash	\$ 760,931	\$ -	\$ 760,931
Accounts receivable	2,347,917	-	2,347,917
Notes receivable	700,000	-	700,000
Advances to related parties	4,285,231	-	4,285,231
Prepaid expenses	4,453	-	4,453
Other assets	25,975		25,975
Total current assets	<u>\$8,124,507</u>	<u>\$ -</u>	<u>\$8,124,507</u>
<u>LIABILITIES</u>			
Current			
Accounts payable and accrued expenses	\$ 79,422	\$ -	\$ 79,422
Advances from related parties	61,051	-	61,051
Deferred revenues:			
Franchise fees	1,107,000	48,000	1,155,000
Royalties	306,937	-	306,937
Total current liabilities	1,554,410	48,000	1,602,410
Noncurrent			
Deferred revenues:			
Franchise fees	4,503,000	119,333	4,622,333
Total liabilities	6,057,410	167,333	6,224,743
<u>MEMBERS' EQUITY</u>			
Members' Equity	<u>2,067,097</u>	<u>(167,333)</u>	<u>1,899,764</u>
Total liabilities and members' equity	<u>\$8,124,507</u>	<u>\$ -</u>	<u>\$8,124,507</u>

Note 6 - REVENUE RECOGNITION (Continued)

Financial Statement Impact of Transition to ASC 606 (Continued)

The cumulative adjustment for franchise fees consists of a \$167,333 increase to deferred revenues, net for the cumulative reversal and deferral of previously recognized franchise fees related to franchise agreements in effect at December 27, 2018 with a corresponding decrease to members' equity.

Comparison to Amounts if Previous Standards Had Been in Effect

The following reflects the impact of adoption of ASC 606 on the Company's Statement of Income and Changes in Members' Equity for the period ended December 25, 2019, Statement of Cash Flows for the period ended December 25, 2019, and Balance Sheet as of December 25, 2019 and the amounts as if the previous standards were in effect:

Note 6 - REVENUE RECOGNITION (Continued)

**Statement of Income and Change in Members' Equity for the Period Ended
December 25, 2019**

	As Reported December 25, 2019	Total Adjustments	As Adjusted December 25, 2019
Revenues			
Royalties	\$5,677,093	\$ -	\$5,677,093
Franchise fees	507,000	33,000	540,000
Franchise transfer fees	20,000	-	20,000
Interest income	14,000	-	14,000
	<u>6,218,093</u>	<u>33,000</u>	<u>6,251,093</u>
Total revenues			
	<u>6,218,093</u>	<u>33,000</u>	<u>6,251,093</u>
Expenses			
Advertising and promotions	53,215	-	53,215
Automobile expense	269	-	269
General and administrative	59,553	-	59,553
Management fees	840,000	-	840,000
Meals and entertainment	205,340	-	205,340
Payroll taxes	166,321	-	166,321
Professional fees	194,045	-	194,045
Recruiting	2,999	-	2,999
Salaries and benefits	2,240,923	-	2,240,923
Seminars	65,413	-	65,413
Supplies and operating expense	113,760	-	113,760
Taxes and licenses	3,020	-	3,020
Telephone expense	14,947	-	14,947
Travel and lodging	788,656	-	788,656
	<u>4,748,461</u>	<u>-</u>	<u>4,748,461</u>
Total expenses			
	<u>4,748,461</u>	<u>-</u>	<u>4,748,461</u>
Net income			
	1,469,632	33,000	1,502,632
Members' Equity			
Beginning of year	<u>1,899,764</u>	<u>167,333</u>	<u>2,067,097</u>
End of year	<u>\$3,369,396</u>	<u>\$33,000</u>	<u>\$3,569,729</u>

Note 6 - REVENUE RECOGNITION (Continued)

The Company's transition to ASC 606 resulted in the deferral of franchise fees and changes in the timing of revenue recognition related to franchise fees. The adjustments for 2019 to reflect the recognition of this revenue as if the previous standards were in effect consists of a \$33,000 increase in franchise fees.

Statement of Cash Flows for the Period Ended December 25, 2019

The transition to ASC 606 had no net impact on the Company's cash provided by operating activities and no impact on the Company's cash used for financing activities during 2019.

	As Reported December 25, 2019	Total Adjustments	Amounts Under Previous Standards
Cash Flows From Operating Activities			
Net income	\$1,469,632	\$33,000	\$1,502,632
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in assets:			
Accounts receivable	(236,806)	-	(236,806)
Prepaid expenses	(1,686)	-	(1,686)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	44,880	-	44,880
Deferred revenues	(388,738)	(33,000)	(421,738)
Other liabilities	420,000	-	420,000
Net cash provided by operating activities	<u>1,307,282</u>	<u>-</u>	<u>1,307,282</u>
Cash Flows from Financing Activities			
Advances to related parties, net	<u>(1,736,535)</u>	<u>-</u>	<u>(1,736,535)</u>
Net Increase in Cash	(429,253)	-	(429,253)
Cash			
Beginning of year	<u>760,931</u>	<u>-</u>	<u>760,931</u>
End of year	<u>\$ 331,678</u>	<u>\$ -</u>	<u>\$ 331,678</u>

Note 6 - REVENUE RECOGNITION (Continued)

Balance Sheet as of December 25, 2019

	As Reported December 25, 2019	Total Adjustments	Amounts Under Previous Standards
<u>ASSETS</u>			
Current			
Cash	\$ 846,678	\$ -	\$ 846,678
Accounts receivable	2,584,723	-	2,584,723
Notes receivable	700,000	-	700,000
Advances to related parties	6,124,696	-	6,124,696
Prepaid expenses	6,139	-	6,139
Other assets	25,975	-	25,975
Total current assets	<u>\$10,288,211</u>	<u>\$ -</u>	<u>\$10,288,211</u>
<u>LIABILITIES</u>			
Current			
Accounts payable and accrued expenses	\$ 124,302	\$ -	\$ 124,302
Advances from related parties	163,981	-	163,981
Deferred revenues:			
Franchise fees - unopened locations	1,122,000	-	1,122,000
Franchise fees	30,333	(30,333)	-
Royalties	40,199	-	40,199
Other liabilities	420,000	-	420,000
Total current liabilities	<u>1,900,815</u>	<u>(30,333)</u>	<u>1,870,482</u>
Noncurrent			
Deferred revenues:			
Franchise fees - unopened locations	4,848,000	-	4,848,000
Franchise fees	170,000	(170,000)	-
Total noncurrent liabilities	<u>5,018,000</u>	<u>(170,000)</u>	<u>4,848,000</u>
Total liabilities	<u>6,918,815</u>	<u>(200,333)</u>	<u>6,718,482</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity	<u>3,369,396</u>	<u>200,333</u>	<u>3,569,729</u>
Total liabilities and members' equity	<u>\$10,288,211</u>	<u>\$ -</u>	<u>\$10,288,211</u>

Note 7 - COMMITMENTS

Under the Company's conventional franchise arrangement, the Company is obligated to provide training and other startup services to the franchisees prior to the opening of a new restaurant. The Company also has made area development agreements with several developers to develop a certain number of franchises in specific locations. As of December 25, 2019, the Company had not yet fulfilled its initial obligations under eighteen area development agreements and eleven separate franchise arrangements, for approximately one hundred and two franchises in development. Initial franchise fees totaling \$5,970,000 relating to these obligations are included in deferred revenues on the Balance Sheet as of December 25, 2019. As of December 26, 2018, the Company had not yet fulfilled its initial obligations under thirteen area development agreements and nine separate franchise agreements. Initial franchise fees totaling \$5,610,000 relating to these obligations are included in deferred revenues on the Balance Sheet as of December 26, 2018.

Note 8 - RETIREMENT PLAN

Effective January 1, 2017, the Company adopted a salary reduction plan under the provisions of Section 401(k) of the Internal Revenue Code which covers almost all full-time employees. For the periods ended December 25, 2019 and December 26, 2018, the Company contributed \$31,331 and \$18,400 to the plan, respectively. The employer match is based on a discretionary percentage determined by management on an annual basis.

Note 9 - SUBSEQUENT EVENTS

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the restaurant industry and the financial markets have recently experienced significant volatility. While the Company has been impacted by the adverse conditions in the financial markets and decreased sales of its franchisees, the long term impact on the Company is uncertain at this time.

The Company entered into two franchise arrangements after December 25, 2019. The arrangement follows the Company's conventional franchise arrangements disclosed in Note 6. As of April 10, 2020, the franchise arrangements were in the development stage.

Financial Report

Walk-On's Enterprises Franchising, L.L.C.

December 26, 2018

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Walk-On's Enterprises Franchising, L.L.C. Baton Rouge, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Members,
Walk-On's Enterprises Franchising, L.L.C.,
Baton Rouge, Louisiana.

We have audited the accompanying financial statements of Walk-On's Enterprises Franchising, L.L.C. which comprise the balance sheets as of December 26, 2018 and December 27, 2017, and the related statements of income and changes in members' equity and cash flows for the periods then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Walk-On's Enterprises Franchising, L.L.C. as of December 26, 2018 and December 27, 2017, and its results of operations, changes in members' equity and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Bougeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
April 4, 2019.

BALANCE SHEETS**Walk-On's Enterprises Franchising, L.L.C.**
Baton Rouge, Louisiana

December 26, 2018 and December 27, 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current		
Cash	\$ 760,931	\$ 1,797,487
Accounts receivable	2,347,917	2,291,957
Notes receivable	700,000	-
Advances to related parties	4,311,206	2,766,255
Prepaid expenses	<u>4,453</u>	<u>3,034</u>
Total current assets	<u>\$ 8,124,507</u>	<u>\$ 6,858,733</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued expenses	\$ 79,422	\$ 108,301
Advances from related parties	61,051	103,470
Unearned revenues		
Franchise fees	5,610,000	5,490,000
Royalties	<u>306,937</u>	<u>729,394</u>
Total current liabilities	<u>6,057,410</u>	<u>6,431,165</u>
<u>MEMBERS' EQUITY</u>		
Members' Equity	<u>2,067,097</u>	<u>427,568</u>
Total liabilities and members' equity	<u>\$ 8,124,507</u>	<u>\$ 6,858,733</u>

See notes to financial statements.

**STATEMENTS OF INCOME AND
CHANGES IN MEMBERS' EQUITY**

Walk-On's Enterprises Franchising, L.L.C.
Baton Rouge, Louisiana

For the periods ended December 26, 2018 and December 27, 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Royalties	\$ 4,353,144	\$ 2,380,290
Initial franchise fees	480,000	480,000
Interest income	14,466	-
Other revenues	7,500	1,125
	<u>4,855,110</u>	<u>2,861,415</u>
Total revenues		
	<u>4,855,110</u>	<u>2,861,415</u>
Expenses		
Advertising and promotions	33,849	104,068
Automobile expense	1,729	4,808
Consulting expense	-	7,500
General and administrative	45,322	20,528
Management fees	480,000	360,000
Meals and entertainment	150,880	145,583
Miscellaneous	29,253	-
Payroll taxes	104,104	59,608
Professional fees	346,401	213,984
Recruiting	1,795	2,035
Salaries and benefits	1,399,259	790,873
Seminars	41,430	59,542
Supplies and operating expense	91,883	69,130
Taxes and licenses	101	3,360
Telephone expense	8,587	3,076
Travel and lodging	480,988	287,647
	<u>3,215,581</u>	<u>2,131,742</u>
Total expenses		
	<u>3,215,581</u>	<u>2,131,742</u>
Net income	1,639,529	729,673
Members' Equity (Deficit)		
Beginning of year	427,568	(302,105)
	<u>427,568</u>	<u>(302,105)</u>
End of year	\$ 2,067,097	\$ 427,568
	<u>\$ 2,067,097</u>	<u>\$ 427,568</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Walk-On's Enterprises Franchising, L.L.C.**

Baton Rouge, Louisiana

For the periods ended December 26, 2018 and December 27, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Net income	\$ 1,639,529	\$ 729,673
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in assets:		
Accounts receivable	(55,960)	(2,285,894)
Prepaid expenses	(1,419)	(3,034)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(28,879)	9,452
Unearned revenues	<u>(302,457)</u>	<u>4,238,231</u>
Net cash provided by operating activities	<u>1,250,814</u>	<u>2,688,428</u>
Cash Flows from Investing Activities		
Issuance of notes receivable, net of repayments	<u>(700,000)</u>	<u>-</u>
Cash Flows from Financing Activities		
Advances to related parties, net	<u>(1,587,370)</u>	<u>(2,138,683)</u>
Net Increase (Decrease) in Cash	(1,036,556)	549,745
Cash		
Beginning of year	<u>1,797,487</u>	<u>1,247,742</u>
End of year	<u>\$ 760,931</u>	<u>\$ 1,797,487</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Walk-On's Enterprises Franchising, L.L.C.
Baton Rouge, Louisiana

December 26, 2018 and December 27, 2017

Note 1 - ORGANIZATION AND NATURE OF BUSINESS

Walk-On's Enterprises Holdings, LLC ("Walk-On's") is the sole member of Walk-On's Enterprises Franchising, L.L.C. (a limited liability company) (the "Company"), which was formed in 2014 to expand the Walk-On's brand across the country utilizing the franchise business model. The Company is supported by Walk-On's and offers potential franchisees support in real estate selection, construction, training, marketing, and operations.

The Company franchises Walk-on's Bistreaux & Bars and Walk-On's Half Courts restaurant. The Company currently has twenty-four operating locations in Alabama, Louisiana, Mississippi, and Texas, and three of these locations are operated by related parties. Eight of these locations were opened during the period ended December 26, 2018. The Company expects to have an additional seventeen franchises operating during the period ending December 26, 2019.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company issues its financial statements on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

b. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Cash and Cash Equivalents

The Company considers all demand deposits at commercial banks and highly liquid debt instruments with original maturity dates of three months or less to be cash equivalents. There were no cash equivalents as of December 26, 2018 and December 27, 2017.

d. Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Collection losses have historically not been significant. As of December 26, 2018 and December 27, 2017, management concluded that based on its review of accounts receivable balances outstanding, a valuation allowance was not required.

e. Unearned Revenues

Unearned revenues consists of initial franchise fees and prepaid royalties paid by franchisees upon entering into a franchise arrangement with the Company. Under the franchise arrangement, the Company is obligated to provide training and other startup services to the franchisees prior to opening. The Company considers its obligations under the franchise arrangement met and revenue from the initial franchise fee recognized when the franchise opens for business. Franchisees that enter into an agreement with the Company by purchasing existing franchises that are already operating pay an agreed upon amount of prepaid royalties in lieu of the initial franchise fee or pay an initial franchise fee. The Company recognizes the prepaid royalties as they become due from the franchisees.

f. Advertising Costs

Advertising costs are generally charged to operations in the period incurred. Advertising and promotional costs totaled \$33,849 and \$104,068 for the periods ended December 26, 2018 and December 27, 2017, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Revenue Recognition

The Company's revenues consist of franchise fees and royalties from franchised locations. Franchise fees are recorded at the contracted amount and are recognized upon the opening of a new franchise. Royalties are based upon a percentage of sales and are recognized in the period earned, which is when the Company has performed substantially all initial services required by the franchise arrangement.

h. Income Taxes

The Company is considered a disregarded entity for Federal and state income tax purposes. As such, the sole member reports the Company's taxable income or loss on its income tax return. Accordingly, no provision for income tax is made by the Company.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 26, 2018, management believes that the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statement or notes to the financial statement. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended December 30, 2015 and later remain subject to examination by the taxing authorities.

i. Recently Issued Accounting Standards

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230)*. ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU No. 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. ASU No. 2016-18 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Recently Issued Accounting Standards (Continued)

Revenue from Contracts with Customers

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU 2014-09, FASB issued several additional Accounting Standards Updates (ASUs) which amended and clarified the guidance and deferred the effective date. The new revenue standard is effective for annual reporting periods beginning after December 15, 2018, with certain early adoption provisions available. The Company is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

j. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statement. Subsequent events have been evaluated through April 4, 2019, which is the date the financial statement was available to be issued.

Note 3 - CONCENTRATIONS OF RISK

The Company maintains its cash balances in a local financial institution where accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. As of December 26, 2018, the Company had approximately \$522,000 in uninsured bank deposits.

Note 4 - NOTE RECEIVABLE

On March 24, 2018, the Company extended a note receivable with an affiliate in the amount of \$1,000,000. The note receivable had a balance of \$700,000 as of December 26, 2018. The note receivable is due on demand or March 24, 2020, whichever occurs first and carries an interest rate of 2%. The Company recognized \$14,466 of interest income related to the note receivable during the period ended December 26, 2018.

Note 5 - RELATED PARTY TRANSACTIONS

Advances to related parties totaling \$4,311,206 and \$2,766,255 as of December 26, 2018 and December 27, 2017, respectively, relate to transfers of prepaid royalties and prepaid franchise fees. Advances from related parties are for management fees and other operating expenses that were funded by related parties and totaled \$61,051 and \$103,470 as of December 26, 2018 and December 27, 2017, respectively.

Pursuant to a management agreement, the Company engages WOE Operations to administer the Company's general operations and negotiate franchise arrangements with potential franchisees. Management fees paid to WOE Operations were \$480,000 and \$360,000 during the periods ended December 26, 2018 and December 27, 2017, respectively.

The Company executed a note receivable agreement with an affiliate in the amount of \$1,000,000. The balance on the note receivable was \$700,000, as of December 26, 2018. (See Note 4.)

Note 6 - FRANCHISE ARRANGEMENTS

Franchise arrangements generally include a license and provide for payment of initial fees, as well as continuing royalties to the Company based upon a percent of gross revenues. Under the arrangement, franchisees are granted the right to operate a restaurant using the Company's operating system generally for a period of 10 or 15 years.

Note 7 - COMMITMENTS

Under the Company's conventional franchise arrangement, the Company is obligated to provide training and other startup services to the franchisees prior to the opening of a new restaurant. The Company also has made area development agreements with several developers to develop a certain number of franchises in specific locations. As of December 26, 2018, the Company had not yet fulfilled its initial obligations under thirteen area development agreements and nine separate franchise arrangements, for approximately ninety-four franchises in development. Initial franchise fees totaling \$5,610,000 relating to these obligations are included in unearned revenues on the balance sheet as of December 26, 2018. As of December 27, 2017, the Company had not yet fulfilled its initial obligations under eleven area development agreements and ten separate franchise agreements. Initial franchise fees totaling \$5,490,000 relating to these obligations are included in unearned revenues on the balance sheet as of December 27, 2017.

Note 8 - RETIREMENT PLAN

Effective January 1, 2017, the Company adopted a salary reduction plan under the provisions of Section 401(k) of the Internal Revenue Code which covers almost all full-time employees. For the periods ended December 26, 2018 and December 27, 2017, the Company contributed \$18,400 and \$4,596 to the plan, respectively. The employer match is based on a discretionary percentage determined by management on an annual basis.

Note 9 - SUBSEQUENT EVENTS

The Company entered into three franchise arrangements after December 26, 2018. The arrangement follows the Company's conventional franchise arrangements disclosed in Note 6. As of April 4, 2019, the franchise arrangements were in the development stage.

EXHIBIT D
STATE FRANCHISE ADMINISTRATORS

EXHIBIT D

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Commissioner of the
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

CONNECTICUT

The Banking Commissioner
The Department of Banking, Securities, and
Business Investment Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8299

HAWAII

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer Affairs,
Business Registration Division,
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief – Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

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

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

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

WASHINGTON
Securities Division
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501
360-902-8760

WISCONSIN
Securities and Franchise Registration
Wisconsin Securities Commission
201 W. Washington Avenue
Madison, Wisconsin 53703

EXHIBIT E
AGENTS FOR SERVICE OF PROCESS

EXHIBIT E
AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, Walk-On's Enterprises Franchising, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Walk-On's Enterprises Franchising, LLC has appointed an agent for service of process.

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

CALIFORNIA

California Commissioner of the
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

CONNECTICUT

The Banking Commissioner
The Department of Banking, Securities, and
Business Investment Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800

HAWAII

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs,
Business Registration Division,
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

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

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

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

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6586 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

Secretary of State of the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Securities Commissioner, State of North Dakota
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

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

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

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

WASHINGTON

Director of Financial Institutions
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Avenue
Madison, Wisconsin 53703

EXHIBIT F
STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).
3. The Franchise Agreement contains a provision requiring application of the laws of Louisiana. This provision may not be enforceable under California law.
4. The Franchise Agreement requires venue to be limited to East Baton Rouge Parish, Louisiana. This provision may not be enforceable under California law.
5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your franchise agreement.
8. 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.
9. Neither the franchisor nor any person or franchise broker disclosed 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

ITEM 19 EARNINGS CLAIMS

The earnings claims figure(s) does (do) not reflect the costs of sales or operating expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. The best source of

cost and expense data may be from franchisees and former franchisees, some of whom may be listed in Item 20.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

ITEM 5 INITIAL FEES

Pursuant to Section 200.508 of the Illinois Administrative Rules promulgated under Section 15 of the Illinois Franchise Disclosure Act, payment of the Initial Franchise Fee and all other fees owed to Franchisor or its affiliates, by the Franchisee, are deferred until such time as all initial obligations owed to the Franchisee under the Franchise Agreement or other agreements have been fulfilled by Franchisor and the Franchisee has commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

ITEM 13 TRADEMARKS

While the franchisor does not own the Proprietary Marks, its corporate parent owns the Proprietary Marks and has licensed the franchisor both to use them and to sublicense them to its franchisees.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Notice Required By Law

Your rights upon termination and non-renewal of a franchise are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

4. Section 34.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.

For information about obtaining a liquor license in Illinois, see the website for the Illinois Liquor Control Commission, located at: <https://www.illinois.gov/ilcc/Pages/Applications.aspx>

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement will be governed by Indiana law, rather than Louisiana law, as stated in Section 30.03 of the Franchise Agreement.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") and Article VIII of the «SoftwareName» License Agreement ("Injunction") shall not apply to franchises offered and sold in the State of Indiana.
5. Section 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") shall not apply to franchises offered and sold in the State of Indiana.
6. Section 16.01 of the «SoftwareName» License Agreement shall not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or Louisiana law if such provision is in conflict with Indiana law.
7. Section 12.02 of the Franchise Agreement and Exhibit D thereto (Confidentiality Agreement/Covenant Not to Compete) is revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.
9. Section 30.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") is deleted from all Franchise Agreements used in the State of Indiana.
10. Exhibit D to the Franchise Agreement (Confidentiality Agreement/Covenant Not to Compete) will be modified for all franchises sold in the State of Indiana to delete the following language:

"I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement."
11. Notwithstanding the terms of Section 8.11 of the Franchise Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

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

The following sentence is added as the final sentence of paragraph 2 under the Pre-Opening Obligations, Franchise Agreement heading:

"If the Franchise Agreement is terminated because you and we cannot agree upon the site for your Walk-On's Restaurant as described in the foregoing sentence, the General Release you must sign shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

ITEM 12 TERRITORY

The following sentence is added at the end of the paragraph in Item 12, concerning our reservation of territorial rights, after the sentence which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the activities described above":

"These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. These waivers and releases will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.
3. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
4. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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 franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits 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 reasonably 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 of 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 or 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 an 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 service.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply:

ITEM 13 TRADEMARKS

1. Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.
4. Under the terms of the Franchise Agreement as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

THE FRANCHISOR REPRESENTS THAT THE PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

ITEM 2. BUSINESS EXPERIENCE

Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of the Franchisor's business relating to the franchises offered by this disclosure document, with a statement for each regarding his principal occupations over the past five years.

ITEM 3. LITIGATION

Neither the Franchisor, its affiliates nor any person named in Item 2 above has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither the Franchisor, its affiliates nor any person named in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding, if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither the Franchisor, its affiliates, nor any person named in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to franchises in general or the franchise offered or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

ITEM 4. BANKRUPTCY

Neither the Franchisor nor any predecessor, affiliate, officer or general partner of the Franchisor has, during the ten year period immediately preceding the date of this disclosure document, (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the Franchisor held this position in the company or partnership.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. You may utilize whatever legal rights you may possess to suspend or discontinue operations due to a breach by the Franchisor and you may terminate the Agreement on any grounds available by law.
2. Sections 13.01(H) and 14.04(O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

 "Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its 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 GBL, Section 687.4 and 687.5 be satisfied."
3. The requirements of Section 12.04 and Section 23.01 of the Franchise Agreement that you consent to the entry of an injunction are modified in the State of New York to provide only that you consent to the seeking of such an injunction.
4. The following sentence is added at the end of each of the sections entitled "Modification of the agreement" in Item 17 of the Disclosure Document:

 "However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations."
5. The following language is added to Item 17(w) ("Choice of law"):

 "The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the state of New York."

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Louisiana law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Louisiana law, as stated in Section 30.03 of the Franchise Agreement.
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Item 17(i) of the Franchise Disclosure Document, Section 18.01 of the Franchise Agreement (“Further Obligations and Rights Following the Termination or Expiration of this Agreement”) and Section 16.01 of the Area Development Agreement (“Other Obligations and Rights on Termination or Expiration”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement and any other agreements used in the State of North Dakota.
5. Section 30.05 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
6. Section 30.05 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) and Section 18.14 of the Area Development Agreement (“Punitive Damages”) each require the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements and Area Development Agreements used in the State of North Dakota.
7. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
8. Section 30.04 of the Franchise Agreement (“Venue”) is deleted from all Franchise Agreements used in the State of North Dakota.

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
ADDITIONAL INFORMATION REQUIRED BY
THE STATE OF RHODE ISLAND**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the “Act”), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by Walk-On’s Enterprises Franchising, LLC for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.

(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

VIRGINIA ADDENDUM TO THE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17. h

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

EXHIBIT G
GENERAL RELEASE

GENERAL RELEASE

Effective _____ (the "Effective Date"), this General Release is given by _____ and _____, and each of their predecessors, corporate parents, subsidiaries, affiliates, successors, assigns, heirs, beneficiaries, executors and administrators; and, all of the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities)(collectively, "you" or "your") to Walk-On's Enterprises Franchising, LLC, and each of its predecessors, corporate parents, subsidiaries, affiliates, successors, assigns, heirs, beneficiaries, executors and administrators; and, all of the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities)(collectively, "we," "us," or "our").

In consideration of _____, and other good and valuable consideration, the receipt of which is hereby acknowledged, on the Effective Date, you forever release and discharge us from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or equity, which you now have or ever had against us from the beginning of world to the Effective Date, including without limitation, anything arising out of that certain Franchise Agreement between you and us dated _____, the franchise relationship between you and us, your purchase of any franchise, business opportunity, seller assisted marketing plan from us, any representations or warranties we or our agents have made to you or omitted, and any other relationship, seller assisted marketing plan, or business opportunity between you and us. You hereby release: (a) any and all claims you have against us, including those of which you are not now aware; and (b) all claims you have against us from anything which has happened up to and including the Effective Date of this Release.

You are bound by this Release. This Release is intended by you to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of you against us regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, you acknowledge that claims or facts in addition to or different from those which are now known or believed to exist with respect to matters mentioned herein may later be discovered and that it is your intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. If you are domiciled or have your principal place of business in the State of California, then you hereby expressly waives and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

You represent and warrant to us that you have not assigned or transferred to any other person any claim or right you had or now have relating to or against any of us. In this Release, each pronoun includes the singular and plural as the context may require. This Release may not be changed orally. This Release is governed by Louisiana law.

IN WITNESS WHEREOF, we executed this Release as of the Effective Date.

By: _____
Name: _____ Individually
Title: _____
Individually

EXHIBIT H

LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of franchisees who have signed a franchise agreement for a Walk-On's Restaurants as of December 25, 2019, but who have not yet opened an outlet:

Slam Dunk Food #2*
Walk-On's Midland, TX
1465 S. Ft. Harrison Avenue, Suite 100
Clearwater, Florida 33756
806-317-7814

Slam Dunk Food #2*
Walk-On's Odessa, TX
1465 S. Ft. Harrison Avenue, Suite 100
Clearwater, Florida 33756
806-317-7814

All-In Restaurant Group, LLC*
Walk-On's Fort Smith, AR
3000 S. MacArthur Drive
Alexandria, Louisiana 71301
(318) 704-5444

Tip Off Two, LLC
Walk-On's Beaumont, TX
4020 Woodcrest Lane
Lake Charles, LA 70605
409-735-2035

Bistreaux Brothers Restaurants, LLC*
Walk-On's Orlando, FL
8 Okie Drive
Landenberg, PA 19350
302-766-0074

BBR Kissimmee, LLC
Walk-On's Kissimmee, FL
207 Village Lane
Southampton, NJ 08088
302-766-0074

BBR Pembroke Pines, LLC
Walk-On's Pembroke Pines, FL
207 Village Lane

Southampton, NJ 08088
302-766-0074

BBR Kendall, LLC
Walk-On's Kendall, FL
207 Village Lane
Southampton, NJ 08088
302-766-0074

Sno-Klaw Investments, LLC
Walk-On's Lufkin, TX
1313 S. Chestnut St.
Lufkin, TX 75901
972-510-8050

QubAll Holdings, LLC*
Walk-On's El Paso, TX
3106 Canyon Road
Lubbock, Texas 79403

WO Amarillo, LLC
Walk-On's Amarillo, TX
3106 Canyon Road
Lubbock, Texas 79403

Johnny Qubty & Joshua Allen*
Walk-On's Thornton, CO
3106 Canyon Road
Lubbock, Texas 79403
(806) 790-1189

Geaux Hospitality, LLC
Walk-On's Killeen, TX
19620 Southern Hills Avenue
Baton Rouge, LA 70808
(225) 939-8485

All-In Restaurant Group, LLC*
Walk-On's Springfield, MO
6213 Arden Oaks
Alexandria, LA 71301

Cade Underwood & Josh Underwood*
Walk-On's Abilene, TX
1320 Texas Avenue
Lubbock, TX 79401

Walk-On's Enterprises Franchising, LLC
Exhibit H to FDD – List of Franchisees
ACTIVE 48217413v3

CAH Adventures*
Walk-On's Flagstaff, AZ
6103-94th Street
Lubbock, TX 79424

CE Myrtle Beach, LLC
Walk-On's Myrtle Beach, SC
7804 Fairview Road #336
Charlotte, NC 28226

Pine State Restaurants, LLC
Walk-On's Charlotte, NC
5010 Sentinel Post Road
Charlotte, NC 28226

Scott Lay*
Walk-On's San Marcos, TX
P.O. Box 1870
Lindale, TX 75771

Walking Tall Brands LLC*
WalkingBistreaux1, LLC
Walk-On's Tampa, FL
12094 Anderson Road #304
Tampa, FL 33625

WOHO, LLC*
Walk-On's League City, TX
805 Piney Ridge Drive
Friendswood, TX 77546

All-In Restaurant Group, LLC
Walk-On's Texarkana, TX
5209 W. Park Boulevard
Texarkana, TX 75503
903-716-6203

McJunkins RF-Conway, LLC
Walk-On's Conway, AR
955 South Amity Road
Conway, AR 72032
501-399-4511

WOHO, LLC
Walk-On's Spring, TX
21930 Kuykendahl Road

Walk-On's Enterprises Franchising, LLC
Exhibit H to FDD – List of Franchisees
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Spring, TX 77388

Walagator, LLC
Walk-On's College Station, TX
P.O. Box 132142
Spring, Texas 77393
936-524-6512

Renegade Diversified, Inc.
Walk-On's Melbourne, FL
4141 Mourning Dove Court
Melbourne, Florida 32934

WO Eules, LLC
Walk-On's Eules, TX
3106 Canyon Road
Lubbock, Texas 79403

WO Colony, LLC
Walk-On's The Colony, TX
3106 Canyon Road
Lubbock, Texas 79403

*This indicates any franchisee who also signed an Area Development Agreement.

The following is a list of franchisees currently operating under a franchise agreement for a Walk-On's Restaurants with us as December 25, 2019:

All-In Restaurant Group, LLC
Walk-On's Alexandria
3000 S. MacArthur Drive
Alexandria, Louisiana 71301
(318) 704-5444

DBMC Restaurants of Baton Rouge – TC, Louisiana, LLC
Walk-On's Towne Center Baton Rouge
7425 Corporate Boulevard, Suite 810
Baton Rouge, Louisiana 70809
(225) 448-3680

Bossier Eats, LLC
Walk-On's Bossier City
3010 Airline Drive
Bossier City, Louisiana 71111
(318) 747 5588

Select Assets, LLC*
Walk-On's Broussard
110 Celebrity Drive
Broussard, Louisiana 70518
(337) 445-3939

St Romain / Gallagher III, LLC
Walk-On's Covington
69796 Stirling Boulevard
Covington, Louisiana 70433
(985) 900-2234

DBMC Restaurants of Prairieville, Louisiana, LLC
Walk-On's Prairieville
14555 Airline Highway
Gonzales, Louisiana 70737
(225) 673-9255

I&C Entertainment, LLC
Walk-On's Lake Charles
5313 Common Street
Lake Charles, Louisiana
(337) 474-7333

Select Assets, LLC*
Walk-On's Lafayette
2336 Kaliste Saloom Road
Lafayette, Louisiana 70508
(337) 706-7433

WO 70006, LLC
Walk-On's Metairie
4436 Veterans Memorial Blvd
Metairie, Louisiana 70006
(504) 273 1233

WO 70112, LLC
Walk-On's New Orleans
1009 Poydras Street
New Orleans, Louisiana 70112
(504) 309-6530

Shreveport Eats, LLC
Walk-Ons Shreveport
7031 Youree Drive
Shreveport, Louisiana 71105

Walk-On's Enterprises Franchising, LLC
Exhibit H to FDD – List of Franchisees
ACTIVE 48217413v3

(318) 220-4256

Select Assets, LLC*
Walk-On's Zachary
1100 Americana Blvd
Zachary, Louisiana 70791
(225) 570 8463

Slam Dunk Foods, LLC*
Walk-On's Lubbock
2630 West Loop 289
Lubbock, Texas 79424
(806) 317-7814

Chu & Chu, LLC
Walk-On's Tyler
6525 S. Broadway Avenue
Tyler, Texas 75703
(903) 707-2087

Select Assets, LLC*
Walk-On's Mobile, AL
3673 Airport Blvd.
Mobile, AL 36608
(251) 408-3055

QubAll Holdings, LLC*
Walk-On's Waco
3106 Canyon Road
Lubbock, Texas 79403
(806) 790 1189

Jeff St. Romain & Matt Gallagher*
Walk-On's Hattiesburg, MS
4400 Hardy Street, Suite A1
Hattiesburg, MS 39402
601-336-4073

Bultra Restaurant Group
Walk-On's Brusly, LA
437 Oak Plaza Blvd
Brusly, Louisiana 70719
(225) 218-4599

West Monroe Eats, LLC
Walk-On's West Monroe, LA

Walk-On's Enterprises Franchising, LLC
Exhibit H to FDD – List of Franchisees
ACTIVE 48217413v3

205 Basic Drive
West Monroe, Louisiana 71292
(318) 855-6319

Slam Dunk Food #3, LLC*
Walk-On's Wesley Chapel, FL
1465 S.Ft. Harrison Avenue, Suite 100
Clearwater, Florida 33756
806-317-7814

Select Assets, LLC*
Walk-On's Slidell, LA
16851 Jefferson Hwy
Baton Rouge, Louisiana 70817
(337) 706-7433

Geaux Route Partners, LLC*
Walk-On's Hoover, AL
215 Guidry Road
Lafayette, Louisiana 70503

Jason Sadowski*
Walk-On's Fayetteville, NC
2116 Skibo Road
Fayetteville, NC 28314

WO S Arlington, LLC
Walk-On's S Arlington, TX
401 E Interstate 20
Arlington, Texas 76018

QubAll Holdings, LLC
Walk-On's Las Colinas, TX
3165 Regent Blvd
Irving, Texas 75063
(469) 779-2500

415 Trenton, LLC
Walk-On's Edinburg, TX
415 W. Trenton Road
Edinburg, TX 78539

BBR Lauderdale, LLC
Walk-On's Ft. Lauderdale, FL
207 Village Lane
Southampton, NJ 08088

Walk-On's Enterprises Franchising, LLC
Exhibit H to FDD – List of Franchisees
ACTIVE 48217413v3

302-766-0074

DBMC Restaurants of Montgomery, AL, LLC
Walk-On's Montgomery, AL
7801 Eastchase Parkway
Montgomery, AL 36117
334-356-9128

*This indicates any franchisee who also signed an Area Development Agreement.

The following is a list of franchisees who signed a franchise agreement for a Walk-On's Restaurants after December 25, 2019:

Paul Alfonso & Sean Cangelosi
Walk-On's Katy, TX
805 Piney Ridge Drive
Friendswood, TX 77546

McJunkins RF-Rogers, LLC
Walk-On's Rogers, AR
4050 S. JB Hunt Drive
Rogers, AR 72758
(479) 551-5500

DBMC Restaurants of Thibodaux, LA II, LLC
Walk-On's Thibodaux, LA
16851 Jefferson Highway, Suite 9A
Baton Rouge, LA 70817

DBMC Restaurants of Tallahassee, Florida, LLC
Walk-On's Tallahassee, FL
16851 Jefferson Highway, Suite 9A
Baton Rouge, LA 70817

The following is a list of franchisees who had an outlet terminated, canceled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business:

DBMC Restaurants of Baton Rouge – TC, Louisiana, LLC (Former franchisee was Emergency 9, LLC)
Walk-On's Towne Center Baton Rouge
7425 Corporate Boulevard, Suite 810
Baton Rouge, Louisiana 70809
(225) 448-3680

DBMC Restaurants of Prairieville, Louisiana, LLC (former franchisee was H2Cow, LLC)
Walk-On's Prairieville

14555 Airline Highway
Gonzales, Louisiana 70737
(225) 673-9255

Walk-On's Bistreaux & Bar Hollywood Park, LLC (former franchisee was LaFouche, LLC)
Walk-On's Hollywood Park
1400 Pantheon Way
San Antonio, Texas 78232
(210) 451-0563

Walk-On's Bistreaux & Bar Huebner Oaks, LLC (former franchisee was 11075 W 10, LLC)
Walk-On's Huebner Oaks
11075 IH 10 West
San Antonio, Texas 78230
(210) 455-7056

NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<u>April 16, 2020, as amended</u> <u>_____ , 2020</u>
Illinois	<u>April 16, 2020, as amended</u> <u>October 15, 2020</u>
Indiana	<u>April 16, 2020, as amended</u> <u>October 13, 2020</u>
Maryland	
Michigan	<u>April 16, 2020, as amended</u> <u>October 12, 2020</u>
Minnesota	<u>_____ , 2020</u>
New York	<u>_____ , 2020</u>
North Dakota	<u>April 16, 2020, as amended</u> <u>_____ , 2020</u>
Rhode Island	<u>April 16, 2020, as amended</u> <u>_____ , 2020</u>
South Dakota	<u>April 16, 2020, as amended</u> <u>October 12, 2020</u>
Virginia	<u>April 16, 2020, as amended</u> <u>_____ , 2020</u>
Washington	<u>_____ , 2020</u>
Wisconsin	<u>April 16, 2020, as amended</u> <u>October 13, 2020</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Walk-On's Enterprises 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.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Walk-On's Enterprises 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Walk-On's Enterprises Franchising, LLC, located at 3960 Burbank Drive, Baton Rouge, Louisiana 70808. Its telephone number is (225) 330-4533.

Issuance date: April 16, ~~2020~~, as amended October 12, 2020.

The name, principal business address and telephone number of each franchise seller offering the franchise: Brandon Landry, Scott Taylor, Kelly Parker and Jeanne Hunt of Walk-On's Enterprises Franchising, LLC, 3960 Burbank Drive, Baton Rouge, Louisiana 70808, (225) 330-4533. Please list any additional franchise sellers: _____.

Walk-On's Enterprises Franchising, LLC authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated April 16, ~~2020~~2020, as amended October 12, 2020, that included the following Exhibits: Exhibit A: Franchise Agreement and Related Materials (including State Addendum to Franchise Agreement); Exhibit B: Area Development Agreement and Related Materials (including State Addendum to Franchise Agreement); Exhibit C: Financial Statements; Exhibit D: State Administrators; Exhibit E: Agents for Service of Process; Exhibit F: State Specific Addenda to Franchise Disclosure Document; Exhibit G: General Release; Exhibit H: List of Current and Former Franchisees; Exhibit I: Receipts.

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity

If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to Walk-On's Enterprises Franchising, LLC at 3960 Burbank Drive, Baton Rouge, Louisiana 70808, or by e-mailing a copy of the

signed and dated receipt to Walk-On's Enterprises Franchising, LLC.

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Dated: _____
If a corporation or other business entity

PROSPECTIVE FRANCHISEE:
If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

PLEASE KEEP THIS COPY FOR YOUR RECORDS.