

FRANCHISE DISCLOSURE DOCUMENT



Wingstop Restaurants Inc.
A Texas Corporation
1101 E. Arapaho Road, Suite 150
Richardson, Texas 75081
(972) 686-6500
areadevelopment@wingstop.com
www.wingstop.com

The franchise is to operate a restaurant under the WING-STOP® trade name and business system that serves buffalo-style chicken wings and complementary side dishes and beverages.

The total investment necessary to begin operation of a WING-STOP® Restaurant is \$242,787 to \$569,528, excluding real estate purchase and lease costs. This includes \$27,500 to \$44,500 that must be paid to the franchisor or affiliate. You sign the Development Agreement even if you want only one Restaurant franchise. If you want development rights for more than one Restaurant, you must pay the franchisor a development fee equal to \$10,000 times the number of Restaurants you commit to develop.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Development, Wingstop Restaurants Inc., 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081, (972) 686-6500.

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

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

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

Issuance date of this Franchise Disclosure Document: May 1, 2012, as amended July 13, 2012

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN OUR HOME CITY AND STATE (CURRENTLY DALLAS, TEXAS). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR HOME CITY AND STATE THAN IN YOUR OWN STATE.
2. THE DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

WINGSTOP RESTAURANTS INC.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	May 1, 2012, as amended July 13, 2012 (exemption)
Hawaii	May 9, 2012, as amended July 23, 2012
Illinois	May 1, 2012, as amended July 13, 2012
Indiana	May 1, 2012, as amended July 13, 2012 (exemption)
Maryland	Pending
Michigan	May 1, 2012, as amended July 13, 2012
Minnesota	May 8, 2012, as amended _____, 2012
New York	May 1, 2012, as amended July 13, 2012 (exemption)
North Dakota	May 22, 2012, as amended _____, 2012
Rhode Island	May 21, 2012, as amended _____, 2012
South Dakota	May 1, 2012, as amended July 13, 2012
Virginia	May 1, 2012, as amended July 13, 2012
Washington	May 1, 2012, as amended July 13, 2012 (exemption)
Wisconsin	May 1, 2012, as amended July 13, 2012

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 1, 2012, as amended July 13, 2012.

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
(517) 373-3117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration sections contained in our Development Agreement and Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration sections. You acknowledge that we will seek to enforce those sections as written.

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

This disclosure document does not provide all of the information you should consider in deciding whether to enter into a development agreement or franchise agreement. You should independently investigate this franchise opportunity and consult with an advisor like an attorney and/or accountant.

Wingstop Restaurants Inc. and Its Parent Companies. Wingstop Restaurants Inc. (“we,” “us,” and “our”) offers the franchises described in this disclosure document. “You” means the individual or business entity (corporation, limited liability company, etc.) that buys a franchise. Except for sole proprietorships, “you” does not include a business entity’s owners.

We are a Texas corporation with our home office at 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081. We do business under our corporate name and the trademarks identified in Item 13 and no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit F to this disclosure document.

The first Wingstop restaurant opened in July 1994. We incorporated in November 1996 and began offering franchises for Wingstop restaurants (“Restaurants”) in May 1997. Our first franchised Restaurant opened in April 1998. We have never offered franchises in any other line of business. Our direct parent company is Wingstop Holdings, Inc. (“WHI”), a Delaware corporation whose principal business address is the same as ours. WHI acquired our ownership in January 2003. It engages in no other business activities and has never offered franchises. On April 9, 2010, Wing Stop Holding Corporation, a Delaware corporation (with the same principal business address as us), acquired by merger all of WHI’s outstanding shares. Wing Stop Holding Corporation therefore is our indirect parent company. It engages in no other business activities and has never offered franchises. We have no predecessors. Information about our other affiliates that are disclosable in this Item appears at the end of the Item.

Wingstop’s Business and Description of the Franchise. We sell and service Wingstop franchises and currently operate 24 Restaurants. (See Item 20) We do not engage in or franchise any other business. Restaurants offer buffalo-style chicken wings in a variety of highly-seasoned flavors. They also offer complementary side dishes and beverages, including beer and wine where legally permitted. Restaurants operate under the Wingstop® trade name and use a distinctive logo, which appears on this disclosure document’s cover page. Restaurants also will operate under other trademarks, logos, and trade dress and use our uniform standards, exterior and interior Restaurant design, décor, color scheme, special recipes, operating procedures, products, and other items we determine and communicate to you through our confidential operating manuals and other means.

A Wingstop franchise entitles you to operate one Restaurant at an approved location. Our Development Agreement governs a Restaurant’s development phase, location, and timeframe. The Development Agreement gives you the right to obtain a franchise for your Restaurant after you complete our site location procedures and sign a lease for a location we have accepted. You must sign a Franchise Agreement for the Restaurant as soon as you sign the lease. Each Franchise Agreement gives you the right to own and operate a single Restaurant at a specific location. You must sign our current form of Franchise Agreement for each Restaurant you open. If you are renewing your franchise because its initial term is about to expire, you also will sign one of our Renewal Riders to Franchise Agreement (Exhibit H) (“Renewal Rider”), which generally modifies certain provisions in our standard Franchise Agreement that do not apply to you because your Restaurant already is open.

Your Development Agreement also states the terms on which you (and your controlled affiliates) may develop more than one Restaurant if we allow you to become a multi-Restaurant operator. We offer multi-Restaurant development rights only to qualified individuals. Typically, a prospective franchisee sends us a personal profile and application setting forth personal, financial, business, and other information on the prospective franchisee and its owners. No portion of the Development Fee is refundable if you fail to develop Restaurants according to your Development Agreement's terms.

You must operate your Restaurant under the business system and operating procedures we have developed, as described in our Operations Manual. We have developed several proprietary, private-label products, including potatoes and the sauces and seasonings Restaurants use to flavor their chicken wings and fried potatoes. Franchisees must buy and use our proprietary products. They also must use other ingredients meeting our grade and quality specifications.

Restaurants are designed to be located primarily in shopping centers. They typically occupy from 1,350 to 1,800 square feet of leased retail space. Restaurants feature a distinctive "aviation theme" décor. Most Restaurants provide limited customer seating because many customers call in their orders for off-premises consumption. We have allowed franchisees to open "take-out only" Restaurants that contain no customer seating. We consider these Restaurants experimental and will allow other franchisees to open "take-out only" Restaurants only in special circumstances that we, in our sole judgment, consider particularly suited to that approach.

Restaurants market their products to customers of all ages and economic levels. Our Restaurants have not experienced significant sales fluctuations that can be attributed to seasonal factors. This experience may not be typical of seasonal sales variations other restaurant operators experience. Restaurants typically encounter lower sales after major consumer spending seasons (Christmas and the start of the school year) and during the winter, especially in the country's colder regions.

Industry Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules, and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, also apply to restaurants. Other laws, rules, and regulations apply to restaurants offering alcoholic beverages.

You must have a beer/wine license before you open your Restaurant. The difficulty and cost of obtaining a beer/wine license, and the procedures for securing the license, vary greatly from area to area. There also is wide variation in state and local laws and regulations governing the sale of beer and wine. In addition, state dram shop laws give rise to potential liability for injuries directly or indirectly related to alcohol sales and consumption. We have allowed Restaurants to operate without serving beer/wine in areas where a beer/wine license could not be obtained. We may allow more Restaurants to open without a beer/wine license as we deem best.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations governing food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure they comply with these laws and regulations. You should consider these and other applicable laws and regulations when evaluating your purchase of a franchise.

Restaurants compete generally with all kinds of quick-service food establishments. Only a few other quick-service food concepts feature buffalo-style chicken pieces, chicken strips, or chicken wings as their primary menu item. Chicken wings and other chicken products are the principal food items sold by

Wingstop restaurants. The availability of these products from independent suppliers throughout the United States and their wholesale cost are determined by market factors (including the supply needs of competitive businesses) over which we have little control. These supply chain issues will impact your operating costs and results during the franchise term.

Affiliated Franchise Programs. Through common control with or common management by either Roark Capital Group, Inc. (“RCG”), an Atlanta-based private equity firm, or Roark Capital Management LLC, an Atlanta-based management company affiliated with RCG, we currently are affiliated with the following franchise programs:

FOCUS Brands is the direct or indirect parent company to 5 franchisors, including Carvel Corporation (“Carvel”), Cinnabon, Inc. (“Cinnabon”), Schlotzsky’s Franchise LLC (“Schlotzsky’s”), Moe’s Franchisor, LLC (“MF”), and Auntie Anne’s Inc. (“Auntie Anne’s”).

Carvel is a leading manufacturer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. Carvel’s principal place of business is 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342. Carvel has been associated with the ice cream business since 1934. Carvel began franchising retail ice cream shoppes in 1947 and, as of December 31, 2011, had 354 domestic retail shoppes (including 9 shoppes co-branded in Schlotzsky’s restaurants operated by our affiliate), 38 international retail shoppes, 38 foodservice locations operated by independent third parties, and 12 company-operated stadium locations offering Carvel® ice cream and frozen desserts including cakes and ice cream novelties. Carvel has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Cinnabon licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle’s Best Coffee® franchises on military bases in the United States and in certain international countries and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. Cinnabon is the leading specialty baked goods concept in the world. On November 4, 2004, FOCUS Brands purchased Cinnabon from AFC Enterprises, Inc. Cinnabon’s principal place of business is 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342. Cinnabon began franchising in 1990, and, as of December 31, 2011, franchisees operated 492 Cinnabon retail outlets in the United States, 433 Cinnabon retail outlets outside the United States, 5 Seattle’s Best Coffee units in the United States, and 135 Seattle’s Best Coffee units in other countries. As of December 31, 2011, Cinnabon operated 5 company-owned Cinnabon retail outlets in the United States. Cinnabon has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Schlotzsky’s franchises Schlotzsky’s® quick-casual restaurants featuring sandwiches, pizza, soups, and salads. Schlotzsky’s signature items are its “fresh-from-scratch” sandwich buns and pizza crusts that are baked on-site every day. On November 17, 2006, FOCUS Brands, through its wholly owned subsidiary, Schlotzsky’s, purchased from Schlotzsky’s, Ltd. and its affiliate, Schlotzsky’s Real Estate Holdings, Ltd., both Texas limited partnerships, substantially all of the assets, including all franchise agreements and trademarks, service marks, and other intellectual property, comprising the Schlotzsky’s® restaurant franchise system and the Schlotzsky’s brand. The Schlotzsky’s franchise system’s principal place of business is 301 Congress Avenue, Suite 1100, Austin, Texas. Schlotzsky’s restaurant franchises have been offered since 1976. As of December 31, 2011, there were 297 franchised and 40 company-owned Schlotzsky’s restaurants operating in the United States and 15 Schlotzsky’s restaurants operating outside the United States. Schlotzsky’s has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

On August 29, 2007, MF, a wholly owned subsidiary of FOCUS Brands, purchased from Moe’s SWG Holdings, LLC, Moe’s Holdings, LLC, and Moe’s Southwest Grill, LLC substantially all of the assets,

including all franchise agreements and trademarks, service marks, and other intellectual property, comprising the Moe's Southwest Grill® fast casual restaurant concept. As a result, MF franchises the Moe's Southwest Grill® fast casual restaurant concept that offers fresh-mex and southwestern food. MF's principal business address is 200 Glenridge Point Parkway, Suite 200, Atlanta, Georgia 30342. MF's predecessor, Moe's Southwest Grill, LLC, began offering Moe's franchises in 2001. As of December 31, 2011, there were 439 franchised and 4 company-owned Moe's restaurants operating in the United States and 2 Moe's restaurants operating outside the United States. MF has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Auntie Anne's franchises Auntie Anne's® facilities offering soft pretzels, lemonade, frozen drinks, and related foods and beverages. On November 5, 2010, FOCUS Brands purchased all the outstanding shares of Auntie Anne's Food, Inc. ("AAFI"), the parent company of Auntie Anne's. Through the purchase of AAFI's shares, FOCUS Brands became the indirect parent company of Auntie Anne's. Auntie Anne's principal place of business is 48-50 W. Chestnut Street, Suite 200, Lancaster, Pennsylvania 17603. Auntie Anne's has offered franchises since January 1991. As of December 31, 2011, there were approximately 785 franchised and 13 company-owned stores in the United States and approximately 278 franchised facilities operating outside the United States. Auntie Anne's has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

FASTSIGNS International, Inc. ("FASTSIGNS") is a franchisor of businesses specializing in selling, marketing, producing, and installing visual communications, including signs (both electrical and non-electrical), graphics, banners, flags, vehicle graphics and wraps, ADA signage, compliance signs, dimensional letters and signage, ready-to-apply lettering, exhibits, decals and labels, trade show and other displays; digital imaging printing (including small, large, and grand formats), advertising and promotional products (including wearables), electronic or digital signage, 2D barcodes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services, and other complementary products and services, with its principal place of business at 2542 Highlander Way, Carrollton, Texas 75006. FASTSIGNS does business under the name American Fastsigns®, FASTSIGNS International, Inc., and FASTSIGNS®. FASTSIGNS has been franchising since 1986 and, as of December 31, 2011, had 451 centers in the United States and 72 centers internationally. FASTSIGNS has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

McAlister's Corporation ("McAlister's") offers full-size and non-traditional quick casual restaurant franchises offering counter-service, on-premises, and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea, and other food and beverage products under the names "MCALISTER'S DELI®" or "MCALISTER'S SELECT®." McAlister's principal place of business is Suite 51, 731 South Pear Orchard Road, Ridgeland, Mississippi 39157. McAlister's has been franchising since 1999 and, as of December 31, 2011, had 271 domestic franchised restaurants and 36 company-owned restaurants. McAlister's has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

CBC Restaurant Corp. ("Corner Bakery") is a franchisor of fast-casual restaurants operating under the Corner Bakery Cafe® trade name and business system that serve artisan breads, salads, sandwiches, soups, and baked goods for breakfast, lunch, and dinner. Corner Bakery's principal place of business is 12700 Park Central Drive, Suite 1300, Dallas, Texas 75251. In June 2011, Corner Bakery became an affiliated franchise program through the merger of Corner Bakery's parent, Il Fornaio (America) Corporation, with a company controlled by RCG through RCG's affiliated companies. Corner Bakery has been franchising since June 2006, and, as of December 31, 2011, there were 103 company-owned restaurants and 26 franchised restaurants in the United States. Corner Bakery has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Arby's Restaurant Group, Inc. ("Arby's") is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly-sliced roasted beef sandwiches. Arby's principal place of business is 1155 Perimeter Center West, Suite 1200, Atlanta, Georgia 30338. In July 2011, Arby's became an affiliated franchise program through the acquisition of all of Arby's outstanding stock by a company controlled by RCG through RCG's affiliated companies. Arby's has been franchising since 1965, and, as of December 31, 2011, there were approximately 3,437 Arby's restaurants operating in the United States (2,308 franchised and 1,129 company-owned) and 127 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts, including T. J. Cinnamons® and Pasta Connection®. As of December 31, 2011, there were approximately 72 T. J. Cinnamons locations in the United States. T. J. Cinnamons stores serve gourmet baked goods, and, currently, Arby's offers fractional franchises for T.J. Cinnamons stores on a limited basis. A predecessor of Arby's offered franchises for Pasta Connection restaurants; the last Pasta Connection franchise closed in 2008. Arby's has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Batteries Plus, L.L.C. ("Batteries Plus") offers individual and multiple unit franchises for Batteries Plus® stores selling batteries and battery-related items for the retail consumer and commercial accounts. Batteries Plus's principal place of business is 925 Walnut Ridge Drive, Suite 100, Hartland, Wisconsin 53029. Batteries Plus became an affiliated franchise program through an acquisition in November 2007. Batteries Plus has been franchising since August 1996 and, as of December 31, 2011, had 467 franchised stores and 33 company-owned stores. Batteries Plus has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Primrose School Franchising Company ("Primrose") offers franchises for the establishment, development, and operation of Primrose School educational child care facilities serving families with children from 6 weeks to 12 years old. Primrose's principal place of business is 3660 Cedarcrest Road, Acworth, Georgia 30101. Primrose became an affiliated franchise program through an acquisition in June 2008. Primrose has been franchising since 1988 and, as of December 31, 2011, had 233 franchised facilities and 1 company-owned facility. Primrose has not offered franchises in any other line of business nor operated a Wingstop Restaurant.

Pet Valu Canada Inc. ("Pet Valu") offers franchises for specialty retail stores operating under the trademark "Pet Valu" that sell food and supplies for dogs, cats, birds, fish, reptiles, and small animals. Pet Valu's principal place of business is 7300 Warden Avenue, Suite 106, Markham, Ontario L3R 9Z6. Pet Valu became an affiliated franchise program through an acquisition in August 2009. Pet Valu has been franchising since 1987 and also operates 2 other small chains of specialty retail pet supply stores in Ontario, Canada and one other chain of specialty retail pet supply stores in British Columbia, Canada. One Ontario chain operates under the trademark "Paulmac's Pet Foods"; as of December 31, 2011, there were 13 franchised and 4 company-owned stores. The other Ontario chain operates under the trademarks "Berry's", "Your Petschoice," and "Berry's...Your Petschoice"; as of December 31, 2011, there was 1 company-owned store. The British Columbia chain, acquired by Pet Valu in April 2010, operates under the trademark "Bosley's Pet Food Plus"; as of December 31, 2011, there were 14 franchised and 18 company-owned stores. As of December 31, 2011, there were 209 franchised Pet Valu stores operating in Ontario, Alberta, Manitoba, and Nova Scotia, Canada, 107 company-owned Pet Valu stores in Ontario, Manitoba, Alberta, New Brunswick, Nova Scotia, and Saskatchewan, Canada, 66 company-owned Pet Valu stores in the United States (Maryland, Pennsylvania, Virginia, and New Jersey), and 1 franchised Pet Valu store in the United States (Pennsylvania). Pet Valu has not offered franchises in any other line of business nor operated a Wingstop Restaurant. Pet Valu currently offers franchises for the operation of Pet Valu and Bosley's stores only in Canada.

We do not expect you to have dealings with any of these affiliated franchisors, which operate completely separate systems.

ITEM 2
BUSINESS EXPERIENCE

President and Chief Executive Officer: Charles R. Morrison

Mr. Morrison became our President and Chief Executive Officer in June 2012. He was Chief Executive Officer of Pizza Inn Holdings, located in The Colony, Texas, from January 2007 to June 2012.

Executive Chairman of the Board: James A. Flynn

Mr. Flynn has been our Executive Chairman of the Board since June 2012. He was our Chief Executive Officer and Director from April 2003 to June 2012. Mr. Flynn also has been President of Trident Management Corporation in Dallas, Texas since June 1990, working with a number of private restaurant and retail companies in a CEO/President/Consultant role on interim bases. Prior to that, Mr. Flynn spent three years as President and Chief Operating Officer for A. Copeland Enterprises in New Orleans, Louisiana where he was responsible for over 2,000 restaurants operating under the trade names Popeyes Famous Fried Chicken, Church's Fried Chicken, and Copeland's of New Orleans.

Director: Erik Morris

Mr. Morris has been one of our Directors since April 2010. He also has been a Managing Director at Roark Capital Management LLC, located in Atlanta, Georgia, since October 2007. From September 1999 to September 2007, Mr. Morris held various roles (including Partner, Principal, Vice President, and Associate) with Grotech Capital Group, located in Timonium, Maryland.

Director: Steve Romaniello

Mr. Romaniello has been one of our Directors since April 2010. He also has been a Managing Director at Roark Capital Management LLC, located in Atlanta, Georgia, since January 2009. Mr. Romaniello was Chief Executive Officer and President of FOCUS Brands Inc., located in Atlanta, Georgia, from April 2003 to December 2008.

Director: Stephen D. Aronson

Mr. Aronson has been one of our Directors since April 2010. He also currently serves as Managing Director and General Counsel of RCG, Roark Capital Management, LLC, and their affiliates in Atlanta, Georgia. He has been a Managing Director for these companies since November 2008 and their General Counsel since November 2007. Mr. Aronson served as Vice President of RCG and Roark Capital Management, LLC from February 2005 to November 2007.

Chief Operating Officer: James W. Knight III

Mr. Knight joined us in January 2003 and currently is our Chief Operating Officer. He was COO and a Director of Hartz Restaurants International, Inc., located in Houston, Texas, from January 2000 to September 2008. He previously served as Vice President of Operations and Purchasing for Ranch *1, located in Manhattan, New York, from 1997 to 1999. Prior to his tenure with Ranch *1, Mr. Knight served as an Area Manager, District Manager, Zone Manager, and a Regional Vice President of Church's Chicken and as a Regional Vice President of Popeyes Chicken and Biscuits.

Executive Vice President / Chief Franchise Relationship Officer: Wes Jablonski

Mr. Jablonski joined us in January 2003. He has held several positions with us, including Chief Financial Officer, Chief Development Officer, and his current positions of Executive Vice President and Chief Franchise Relationship Officer.

Executive Vice President / Chief Marketing Officer: Andrew Howard

Mr. Howard joined us in February 2003. As our Executive Vice President/Chief Marketing Officer, he is responsible for our overall marketing, advertising, and public relations efforts and oversees supplier/vendor relationships and the purchasing, research, and development of products related to restaurant operations.

Chief Financial Officer: Lance Loshelder

Mr. Loshelder has been our Chief Financial Officer since September 2009. He was Chief Financial Officer for Cool Cuts 4 Kids, located in Euless, Texas, from 2002 to May 2009.

Vice President of Finance: Thomas O. Roberts Jr.

Mr. Roberts joined us in January 2003 and currently is our Vice President of Finance. He was Vice President of Finance and Administration at Hartz Restaurants International, Inc., located in Houston, Texas, from 1993 until joining us in January 2003.

Vice President of Design & Construction: John B. McDonald, AIA

Mr. McDonald joined us in October 2000 as Director of Construction to manage the construction of Wingstop Restaurants and was promoted to Vice President of Design and Construction in March 2006.

Vice President of Operations: Anthony Cooke

Mr. Cooke joined us in January 2005 as a Franchise Field Consultant and was promoted to Regional Vice President of Operations in August 2006 and then to Vice President of Operations in January 2009.

Vice President of Marketing Services: Marcia Harris-Daniel

Mrs. Harris-Daniel joined us in February 2002 as Senior Director of Marketing, responsible for marketing and new business development, and was promoted to Vice President of Marketing Services in December 2008.

Senior Vice President of Development: David A. Vernon

Mr. Vernon joined us in October 2010 as Vice President of Franchise Sales and was promoted to Senior Vice President of Development in January 2012. He was Vice President of Franchise Sales for Sonic Corporation, located in Oklahoma City, Oklahoma, from December 1996 to June 2010.

Regional Vice President of Operations: Scott Lack

Mr. Lack joined us in June 2004 as Franchise Business Consultant and was promoted to Regional Vice President of Operations in January 2009.

Regional Vice President of Operations: Luisa Bullard

Ms. Bullard joined us in October 2006 as Franchise Business Consultant and was promoted to Regional Vice President of Operations in July 2009.

Vice President of Information Technology: Jason McEachern

Mr. McEachern joined us in June 2010 as Vice President of Information Technology. He worked as Managing Director for Simple CRMS, located in Arlington, Texas, from May 2010 to June 2010 and was IT Director for Cool Cuts 4 Kids in Euless, Texas from October 2002 to May 2009.

Senior Director of Franchise Sales: Beverly Rich

Ms. Rich joined us in December 2005 as Director of Franchise Development and was promoted to Senior Director of Franchise Sales in December 2009.

Director of Franchise Sales: Stephen Sweetman

Mr. Sweetman joined us in October 2010 as Director of Franchise Sales. He worked for Focus Brands, Inc., located in Atlanta, Georgia, from September 2002 to October 2010, including Director of Franchise Sales and Real Estate from September 2002 to June 2005 and Director of Real Estate from June 2005 to October 2010.

Senior Director of Real Estate: Keith Hunter Stansbury

Mr. Stansbury joined us in September 2010 as Director of Real Estate and was promoted to Senior Director of Real Estate in March 2011. He worked for The Home Depot, Inc., located in Atlanta, Georgia, from September 2004 to March 2010, first as Real Estate Manager from September 2004 to September 2006 and then as Senior Real Estate Manager from September 2006 to March 2010.

Vice President of Training: Mike Sutter

Mr. Sutter joined us in October 2003 as Director of Training to manage the monthly franchisee and manager training classes and was promoted to Senior Director of Training in December 2008 and then to Vice President of Training in December 2009. He currently oversees preparation and maintenance of the WRI Operations Manual, New Product Rollout Guides, and other materials and the opening of new franchise locations.

Director of Training: Patrick Campbell

Mr. Campbell joined us in April 2007 as a Corporate Trainer and was promoted to Senior Trainer in June 2009 and then to Director of Training in December 2009. Mr. Campbell is responsible for managing the monthly training classes and overseeing day-to-day activities of the corporate trainers.

Director of Real Estate: Adam Griffiths

Mr. Griffiths joined us in April 2011 as Director of Real Estate. He was self-employed as an Independent Broker/Consultant for The Griffiths Group in Frisco, Texas from December 2008 to April 2011. Mr. Griffiths worked as National Development Manager for Dunkin Brands, Inc., located in Canton, Massachusetts, from December 2006 to December 2008 and was our Director of Real Estate from July 2005 to November 2006.

ITEM 3 LITIGATION

Emeritus Group, Inc. et al. v. Wingstop Restaurants, Inc. (American Arbitration Association, Case No. 71 114 Y 00675 10). Claimants, who now are former franchisees who owned 3 Wingstop Restaurants, filed an arbitration demand against us and an existing franchisee on August 18, 2010, an amended arbitration demand only against us (removing the other franchisee as a party) on September 27, 2010, and several subsequent amendments. Claimants essentially alleged that our 2009 grant to a different franchisee of a franchise for a new Wingstop Restaurant located at least 6 miles from one of their existing Restaurants was improper because, among other things, the new Restaurant adversely affected the sales at 2 of their Restaurants, causing them to be unprofitable, and we allegedly represented to them that we would not develop a new Restaurant in that particular market area. Claimants asserted that they, and not the other franchisee, should have had the opportunity to develop the new Restaurant or that we should not have developed that Restaurant at all. Claimants asserted causes of action for fraudulent misrepresentation, fraudulent inducement, fraudulent concealment, breach of franchise agreement, unjust enrichment, promissory estoppel, civil conspiracy, tortious interference with prospective business relations, breach of implied covenant of good faith and fair dealing, and violation of the Texas Deceptive Trade Practices Act. Claimants sought compensatory damages of over \$3.2 million, excess interest paid to their lender, exemplary and other damages to which they were entitled under law, attorneys' fees and costs and/or orders cancelling the new Restaurant's franchise agreement or granting the franchise to them and requiring us to repurchase their 3 existing Restaurants with a refund of the original purchase price (claimants had purchased the Restaurants in 2005 directly from a franchisee). We denied all claims in the arbitration demand. On May 20, 2011, we and Claimants entered into a settlement agreement under which we paid Claimants \$75,000 in exchange for a full release and dismissal of all claims. No party admitted any liability or fault to one another. This case is over.

R-Stream, LLC v. Wingstop Restaurants Inc. (United States District Court for the Middle District of Florida, Tampa Division, Case No.: 8:08-cv-02221-VMG-EAJ). Plaintiff, a point-of-sale (POS) system company, filed a complaint against us on June 23, 2008 in the Circuit Court for Pinellas County, Florida. We removed the action to the United States District Court. Plaintiffs alleged that, following negotiations between the parties regarding the design and specifications of a POS system, we failed to require that all Wingstop restaurants implement the system. Plaintiffs claimed breach of contract, fraud in the inducement, promissory estoppel, and tortious interference with an advantageous business relationship and sought damages exceeding \$15,000, interest, and costs. We denied each claim. On September 9, 2010, we and the plaintiff settled the case. We paid the plaintiff \$250,000 and agreed not to require any existing franchisee then using R-Stream's POS system to stop using it unless we required all franchisees to use a specific POS system or to acquire a POS system from a preferred vendor. However, the settlement did not obligate us to allow other franchisees to use R-Stream's POS system. R-Stream released us from all claims and dismissed the lawsuit. No party admitted any liability or fault to one another. This case is over.

The following matter is not associated with us:

Best Franchising, Inc. and Hawthorn Suites Franchising, Inc. ("Best") v. Terry P. Wynia, Jean K. Wynia, et al. ("Wynia") v. Best Franchising, Inc., Hawthorn Suites Franchising, Inc., U.S. Franchise Systems, Inc., Microtel Inns and Suites Franchising, Inc., Mike Leven, Steve Romaniello, and Mike Muir (Civil Action File No. CS-02-0175-EFS, U.S. District Court, Eastern District of Washington, transferred on May 1, 2002 from U.S. District Court, Northern District of Georgia, Atlanta, Division, Civil Action File No. 01-CV-0805, removed on March 29, 2001 from Superior Court of DeKalb County, Georgia, Civil Action File No. 01-CV-2491-1, originally filed February 16, 2001). Best's claims against Wynia, most of whom are former Best franchisees, alleged monies due under their franchise agreements totaling

over \$10 million. Wynia counterclaimed against Best for over \$30 million for breach of various terms of their franchise agreements, fraud with respect to their franchise agreements, violations of the Washington Franchise Investment Protection Act and Consumer Protection Act, and breach of a letter agreement with Wynia. In January 2002, Wynia filed a complaint against Best, U.S. Franchise Systems, Inc., Mike Leven, Steve Romaniello (see Item 2) and Mike Muir (CS-011-FVS; U.S. District Court, Eastern District of Washington), seeking rescission of certain franchise agreements between the parties, restitution, damages, and penalties for violations of the Washington Franchise Investment Protection Act and Consumer Protection Act and certain material breaches by certain individuals of other agreements. As a result of Court Orders in February and March 2004 dismissing several of Wynia's claims, including the Consumer Protection Act claim, Wynia's claim was limited to Best's alleged breach of the parties' written license agreements by not delivering a hotel system as defined in the written franchise agreements and selected violations of the Franchise Investment Act. In August 2004, Wynia entered into a settlement and release agreement with Steve Romaniello and other individuals for the purpose of voluntarily dismissing with prejudice all claims Wynia had against these individuals. No party paid any monies for these dismissals or admitted any liability or fault. This case was eventually fully settled and dismissed when Wynia and the corporate defendants reached an agreement by which the parties dismissed all claims among them and the corporate defendants paid an agreed sum of money. No party admitted any liability or fault to one another.

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

ITEM 4 **BANKRUPTCY**

As a result of what then was the continued precipitous downturn in the residential housing market in New England and the deepening economic crisis within the U.S. economy, on March 3, 2008, our affiliate Wood Structures, Inc. and its subsidiary, Wood Assonet Corporation (collectively, "Wood Structures"), each filed separate petitions for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code (In re Wood Structures, Inc. (U.S. Bankruptcy Court for the District of Maine, Case No. 09-20245) and (In re Wood Assonet Corporation (U.S. District Court for the District of Maine, Case No. 09-20246)). On April 7, 2009, the Bankruptcy Court ordered the Chapter 11 proceeding converted to a Chapter 7 case. Wood Structures manufactured trusses and distributed wood products for the residential housing market in New England. Wood Structures neither engaged in business with us or our franchise system nor conducted any business activities in the field of franchising.

Due to the recent financial crisis in the United States mortgage markets, numerous mortgage companies filed for bankruptcy. On November 5, 2008, our affiliate, Ace Holding Company, LLC and its subsidiaries, Ace Mortgage Funding, LLC, Ace Imaging, LLC, and Archer Land Title, LLC (collectively, the "Ace Companies"), each filed separate petitions for liquidation under Chapter 7 of the U.S. Bankruptcy Code (In re Ace Mortgage Funding, LLC (U.S. Bankruptcy Court for the District of Delaware, Case No. 08-12645-CSS), In re Ace Holding Company, LLC (U.S. Bankruptcy Court for the District of Delaware, Case No. 08-12642-CSS), In re Ace Imaging, LLC (U.S. Bankruptcy Court for the District of Delaware, Case No. 08-12644-CSS), and In re Archer Land Title, LLC (U.S. Bankruptcy Court for the District of Delaware, Case No. 08-12643-CSS)). The Ace Companies neither engaged in business with us or our franchise system nor conducted any business activities in the field of franchising.

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

ITEM 5 **INITIAL FEES**

Initial Fees. The Restaurant franchise program always involves two types of agreements and fees: a Development Agreement with development fees and a Franchise Agreement with franchise fees.

The Development Agreement gives you an option to purchase a Restaurant franchise. The option becomes exercisable when you secure a suitable Restaurant site during the option period (which usually lasts 240 days). You pay a \$10,000 development fee when you sign the Development Agreement. If you obtain development rights for additional Restaurants, you must pay a development fee equal to \$10,000 times the number of additional Restaurants you commit to develop. You must pay the development fee in full when you sign the Development Agreement. The development fee is not refundable.

The franchise fee for your first Restaurant developed under a specific Development Agreement currently is \$20,000. If we allow you to develop more than one Restaurant under the same Development Agreement, your franchise fee for your second and each subsequent Restaurant developed under that Development Agreement will be our then current franchise fee (as of the date you sign the Franchise Agreement for the subsequent Restaurant) for additional Restaurants developed under the same Development Agreement. That franchise fee currently is \$12,500; however, we may increase that franchise fee in the future. (The franchise fee due for the first Restaurant developed under a new or different Development Agreement currently is \$20,000. You do not receive the benefit of a lower franchise fee for the first Restaurant developed under a new or different Development Agreement.) You must pay the full franchise fee when you sign the Franchise Agreement for the Restaurant. The franchise fee is not refundable. (Development fees and franchise fees are separate; development fees are not credited toward franchise fees.)

We participate in the International Franchise Association's VetFran Program, which generally provides discounts on initial franchise fees to veterans of U.S. Armed Forces who otherwise meet the Program's requirements. First-time purchasers of franchises who are veterans of the U.S. Armed Forces are eligible to pay a reduced franchise fee of \$5,000 for their first Wingstop Restaurant (representing a \$15,000 discount off our standard \$20,000 franchise fee). To qualify for the discount, the veteran must own at least a 50% interest in the franchise. "Veteran" means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense. It is the veteran's responsibility to send us the required documents in order to obtain the VetFran discount. There is no VetFran discount if you are receiving this disclosure document in connection with your purchase of an existing Wingstop Restaurant. (The VetFran discount does not apply to development fees.)

If you signed a Development Agreement with us between June 2006 and April 2011 for the development of one or more Restaurants in a particular area, the franchise fee you must pay us for each Restaurant developed under that Development Agreement will be the franchise fee in effect and disclosed to you when you signed that older Development Agreement (typically \$16,500 for the first Restaurant in the Development Agreement and \$10,000 for each subsequent Restaurant in the same Development Agreement, net of option/development fees previously paid).

If you purchase an existing Restaurant franchise, you do not pay an initial franchise fee. Instead, we receive a \$10,000 transfer fee (which is not refundable).

We offered a 2012 Incentive Program—beginning January 1, 2012 and expiring April 1, 2012—to existing and new franchisees in Developing Markets in the United States (although a limited number of prospective franchisees with whom we discussed development rights before this disclosure document's issuance date will be "grandfathered" and may take advantage of the terms of the 2012 Incentive

Program). Under the 2012 Incentive Program, franchisees committing to develop new Wingstop Restaurants in Developing Markets paid a \$12,500 development fee for each Restaurant proposed to be developed. We agreed not to charge these franchisees any additional separate franchise fees for Restaurants developed under a Development Agreement signed while the Incentive Program was in effect. A “developing” market generally is a geographic area in which we currently do not have a meaningful number of Wingstop Restaurants in operation. We no longer offer this program to new developers.

We offered a 2011 Incentive Program—beginning in May 2011 and expiring December 31, 2011—to existing and new franchisees in Developing Markets in the United States. Under that 2011 Incentive Program, franchisees committing to develop new Wingstop Restaurants in Developing Markets paid a \$12,500 development fee for each Restaurant proposed to be developed. However, we committed to use \$5,000 of each \$12,500 per-Restaurant development fee to promote and advertise the franchisee’s Restaurant in its market. We agreed not to charge these franchisees any additional separate franchise fees for Restaurants developed under a Development Agreement signed while the Incentive Program was in effect. We no longer offer this program to new developers.

We offered a 2010 Incentive Program—beginning in late 2010 and expiring in mid-April 2011—to existing and new franchisees in both Core and Developing Markets in the United States. (A “Core Market” was a geographic area in which a meaningful number of Wingstop Restaurants did operate.) Under that 2010 Incentive Program, franchisees committing to develop new Wingstop Restaurants in Core Markets paid a \$12,500 development fee for each Restaurant proposed to be developed. Franchisees committing to develop new Wingstop Restaurants in Developing Markets generally paid a \$10,000 development fee for each Restaurant proposed to be developed. However, in Developing Markets only, we committed to use \$8,500 of each \$10,000 per-Restaurant development fee to promote and advertise the franchisee’s Restaurant in its market. We agreed not to charge these franchisees any additional separate franchise fees for Restaurants developed under a Development Agreement signed while the Incentive Program was in effect. We no longer offer this program to new developers.

(Our Franchise Agreement Riders for the 2010, 2011, and 2012 Developing Market Incentive Programs, which you will sign (as applicable) with your Franchise Agreement only if you signed Development Agreements under the 2010, 2011, and 2012 Developing Market Incentive Programs, are in Exhibit L.)

We will pay a referral incentive to each existing franchisee (no matter the market) who refers to us a new prospective franchisee (not already in the system) who ultimately signs a Development Agreement with us. We will pay a \$1,000 referral fee for a 1-Restaurant development deal and \$2,000 for a 2-or-more Restaurant development deal. We intend to end this referral incentive program on January 1, 2013 (although we may extend the deadline in our sole judgment).

Except as otherwise described, the initial fees and payments in this Item 5 are uniform in all cases.

Architectural and Construction Management Fee. If your Restaurant is located within the continental United States, you must use our architectural, engineering, and construction management services, the fee for which ranges from \$12,500 to \$14,500. (The higher fee is applied if your Restaurant is to be located in an area where our services require additional detail and engineering.) This fee is not refundable. When you sign the Franchise Agreement, you must pay us a deposit equal to one-half of the estimated fee for our services. The remaining portion of the fee is due when the plans/drawings we prepare are ready. We may require payment before releasing the plans/drawings to you. We may, in our sole judgment, waive the requirement that franchisees use our architectural and construction management

services for experienced restaurant developers who submit a written request together with any additional documents and information we request.

If your Restaurant is located outside the continental United States, you have the option to use local architects and engineers. Our architectural and construction management services fee if you choose this option is \$5,000. It is not refundable. To ensure the proposed Restaurant’s design and equipment content satisfy our prototypical standards, we will design the layout of the proposed lease space and equipment for your consultant’s use. After approval of the preliminary equipment layout, we will issue prototypical plans and specifications to the outside consultants for design and/or site adaptation. If you want to use an outside consultant, you must follow the criteria listed in our Real Estate and Construction Guidelines. If additional services are required beyond those described above, we may charge you \$95 per hour to consult with you and your consultants/contractors during the construction process (although the first hour is free). These payments are not refundable.

We add the proceeds from all fees and services described in this Item to our general working capital. We use the funds, to the extent necessary, to pay expenses we incur in providing initial services to our franchisees.

ITEM 6
OTHER FEES

Column 1 Type of fee ¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalties	5% of Gross Sales (Under the 2011 and 2012 Incentive Programs described in Item 5, the first-year Royalty is 3% of Gross Sales, and the second-year Royalty is 4% of Gross Sales, for Wingstop Restaurants developed in Developing Markets under a Development Agreement signed while the Incentive Program was in effect (and 5% of Gross Sales for the remaining portion of the franchise term). Under our 2010 Incentive Program described in Item 5, the first- and second-	Payable weekly by automatic debit of your account on Tuesday of each week for Gross Sales during the week ended the prior Saturday	Gross Sales include all revenue from your Restaurant but exclude sales taxes, coupon credits, employee discounts, and revenue from gift cards sold (although Gross Sales include revenue you derive from selling products and services where payment is made with gift cards) If you acquire an option to renew your franchise for a second renewal term (see “Renewal Fee” below) and eventually do renew for that second renewal term, the Royalty Fee due during that second renewal term currently is scheduled to be 6% of Gross Sales

Column 1 Type of fee ¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	year Royalty ranges from 1% to 3% of Gross Sales depending on the type of market—"Core" or "Developing"—in which the Wingstop Restaurants are developed)		
Ad Fund	2% of Gross Sales	Payable weekly the same as royalties	Franchisees may increase the rate by majority vote (we do not vote)
Ad Customization Fee	Reasonable charge	Upon delivery of customized advertising materials	If we elect to provide you customized copies of our advertising materials that show information about your Restaurant, we may charge you a reasonable customization fee. We have not begun charging this fee
Local Advertising and Promotional Materials	The Franchise Agreement stipulates no amount, but we recommend 4% of Gross Sales. We can set a minimum 2% of Gross Sales rate when a local co-operative forms	Upon billing by service providers	You must join a local cooperative if one is formed in your market ² ; you must participate in all system-wide promotions and advertising campaigns
Insurance ³	As provided in the Operations Manual (see Item 8)	Before your Restaurant opens and before each policy renewal date	You must buy your insurance from a company with an AM Best rating of A-/VIII or better. If you fail to obtain required insurance, we may obtain it for you, and you then must reimburse our costs

Column 1 Type of fee ¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Indemnification	Unlimited	Upon demand by us	You must indemnify us and our affiliates from liability for any claim based on or arising from your Restaurant's operation or your use of the Wingstop web site or Intranet; you also must defend the claim or reimburse our expenses if our attorneys defend us
Audit Fees	Cost of audit, including auditor's travel, meal and lodging expenses	Upon invoice	You pay if you lack adequate records or have understated any year's annual Gross Sales by 1% or more
Non-Reporting Fee	\$250	Debited weekly	Due if you do not report weekly Gross Sales
Interest/ Late Charges	Interest on past-due obligations to us and our affiliates at the highest commercial contract interest rate the law permits	Due upon invoice if you pay obligations more than 5 days late	
Transfer Fees	\$10,000	Payable before transfer's effective date	
Renewal Fee	25% of the sum of our then current development fee and franchise fee (that currently would equal \$7,500)	Payable when you renew franchise	This renewal fee is due when you renew franchise for a 10-year renewal term. When you renew your franchise for a 10-year renewal term, you also may at that time acquire an option for a 2nd 10-year renewal term (after the first 10-year renewal term ends) by paying us \$15,000 option fee when you sign Franchise Agreement for 1st 10-year renewal term. No additional renewal fee is due if you satisfy conditions and eventually acquire the second 10-year renewal term

Column 1 Type of fee ¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Intranet/ Website Maintenance Fee	\$25 initial set up cost/up to \$50 per month	Due with terms of use agreement/payable quarterly upon invoice from us, or we may auto debit your bank account	
Operations Manual(s)/ Training Materials Replacement Charge	\$225 for Manual, \$6- \$10 for training DVDs, \$35 for recipe guide, \$4 for spec sheets, and \$2-\$5 for other training materials, plus shipping costs	Before replacements are sent to you	We will charge only for replacement costs and shipping. We may increase these amounts as our costs increase
Annual Convention Attendance Charge	Currently \$395 per attendee	Upon invoice	We may increase this amount as our costs increase. We may require you to pay this charge even if you do not attend the convention
Product and Service Purchases	See Item 8	See Item 8	You will buy products, supplies, and services from designated and approved vendors whose items meet our standards and specifications and from other suppliers to the industry in which Restaurants operate
Attorneys' Fees and Costs	Will vary under circumstances and depend on nature of your non-compliance	Upon invoice	Due when you do not comply with the Franchise Agreement
Liquidated Damages ⁴	See footnote 4		
Supplemental Training/ Assistance	Up to \$1,000 per trainer, plus out-of- pocket costs	Upon invoice	Due for supplemental on- site training or assistance you need or request beyond the amount we provide at no cost
Tax Reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse us for any taxes we must pay to any state taxing authority on account of either your operation or your payments to us

Column 1	Column 2	Column 3	Column 4
Type of fee ¹	Amount	Due Date	Remarks
Relocation	Out-of-pocket cost reimbursement plus relocation fee (fee not to exceed \$5,000)	As incurred	You must reimburse our costs and pay a fee in connection with your Restaurant's relocation

(1) We refund no fees. Except for local advertising charges and, at our direction, advertising co-op contributions, all fees are imposed and collected by and payable to us. (Although due and payable to us under the Franchise Agreement, we typically have you pay advertising co-op contributions directly to the advertising co-op.) All fees currently are uniformly imposed except as described above (with Royalties) for franchises to be granted under Development Agreements signed during the effective periods of our 2012, 2011, and 2010 Incentive Programs.

(2) You must join a local advertising cooperative if one is formed in your market. You also must participate in all system-wide promotions and advertising campaigns. If we open company-owned Restaurants, we will become an active member of the local advertising cooperative and contribute to the local cooperative in the DMA at the standard rate. If there are more company-owned Restaurants in a market than franchised Restaurants, we will have more control of the advertising cooperative in that DMA. However, no provision of the Franchise Agreement or other agreement reserves disproportionate voting power to any Restaurant we operate.

(3) Neither we nor our affiliates sell insurance to you.

(4) If you continue using our trademarks or system after expiration or termination of your franchise, you must pay us a weekly royalty equal to 150% of the royalty you were paying us beforehand. If you unilaterally terminate the franchise before the end of its term, and within 24 months start operating a competitive business, you must pay us a weekly fee equal to 10% of the competing operation's revenue for what would have been the remaining franchise term. (See Item 17) If you sell your Restaurant or its assets and the buyer does not sign a Franchise Agreement to continue operating the Restaurant under the Wingstop® name, you must pay us the royalties you would have paid us during the remaining franchise term, discounted to present value. We will assume that your annual Gross Sales during the remaining franchise term would have been one-third of the Restaurant's Gross Sales during the 36-month period before the violation occurred.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount ⁽¹⁾	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Fees: ⁽²⁾ Development Fee ⁽³⁾ Franchise Fee ⁽⁴⁾	\$ 10,000 \$ 12,500 - \$20,000	Each in Lump Sum	Development Fee: Signing of Development Agreement Franchise Fee: Signing of Franchise Agreement	Us
Rent	See note 5	See note 5	See note 5	See note 5
Security Deposits ⁽⁵⁾	\$2,000 - \$8,000	Lump Sum	Per Lease/ Utility Co. Requirements	Landlord/ Utilities/ Insurance Companies
Architectural/ Engineering Fees ⁽⁶⁾	\$12,500 – \$14,500	Per Architect Contract	Per Architect Contract	Us or Architect
Professional Fees ⁽⁶⁾	\$1,500 – \$4,000	As Incurred	As Incurred	Your attorney, accountant, and other professionals
Leasehold Improvements ⁽⁷⁾	\$110,371 - \$308,027	Negotiable	Contract Terms	General Contractor
Business and Operating Permits ⁽⁸⁾	\$1,000 – \$3,500	As Incurred	As Incurred	Licensing Authorities
Décor Package ⁽⁹⁾	\$4,000	Lump Sum	Prior to Installation	Approved Independent Supplier
Furniture, Fixtures, Audio/Visual System, Equipment and Smallwares ⁽¹⁰⁾	\$36,306 - \$101,011	Vendor's Terms	Vendor's Terms	Approved Independent Suppliers

Column 1 Type of expenditure	Column 2 Amount ⁽¹⁾	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Point-of-Sale Register, Hardware and Software ⁽¹¹⁾	\$11,000 – \$18,000	Vendor's Terms	Vendor's Terms	Suppliers
Signs	\$4,110 – \$24,490	Vendor's Terms	Vendor's Terms	Approved Sign-Maker
Phone System	\$2,500 – \$3,500	Vendor's Terms	Vendor's Terms	Independent Suppliers
Opening Inventory	\$7,500 – \$10,500	Vendor's Terms	Vendor's Terms	Approved Independent Suppliers
Opening Publicity and Promotions ⁽¹²⁾	\$2,500 – \$5,000	Per Contract	As Incurred	Independent Suppliers
Additional Funds – 3 months ⁽¹³⁾	\$25,000 - \$35,000	Cash	As Needed	Various
TOTALS (excluding real estate purchase and lease costs)	\$242,787 – \$569,528 ⁽¹⁴⁾			

ENDNOTES FOR INVESTMENT SUMMARY

- Except for the security deposit and perhaps some utility deposits (see note 5 below), no expenditure in this table is refundable.
- You will not incur most of these costs if you are renewing your franchise because your Restaurant already is open. However, you must make certain upgrades, modifications, and improvements at your Restaurant to meet our current standards. Your costs will depend on your Restaurant's current condition.

(1) The initial fees represent actual amounts; we have estimated all other amounts based on our experience. The low estimate is the lowest for each category.

(2) The only initial investment under the Development Agreement is the development fee.

(3) You currently pay a \$10,000 development fee for your first Restaurant and development fees of \$10,000 for each additional Restaurant you commit to develop under your Development Agreement. (See Item 5)

(4) You currently pay a \$20,000 franchise fee for your first Restaurant, and our then current franchise fee for each additional Restaurant, developed under the same Development Agreement. Our franchise fee for additional Restaurants (after the first one) developed under the same Development Agreement currently is \$12,500. We may increase that franchise fee in the future. No franchise fees are charged for

franchises to be granted under Development Agreements signed during the effective periods of our 2012, 2011, and 2010 Incentive Programs. (See Item 5)

(5) A Wingstop Restaurant occupies approximately 1,350 to 1,800 square feet of leased space, typically in an in-line (strip) shopping center in an urban or suburban commercial area. Your investment could be substantially higher if you decide to buy property for your Restaurant or to lease space in an enclosed mall or similar high-rent facility. Rent depends on geographic location (for example, the West Coast, the East Coast, or the Midwest), space size, local rental rates, businesses in the area, site profile, and other factors. We cannot estimate precisely your initial real estate investment. Landlords typically charge a security deposit equal to one month's rent and also may have site lease deposits that vary according to location. Utility and other companies typically charge security deposits that vary by locale and in relation to the customer's credit history. Insurance companies may request deposits or prepayment of premiums. Some of these security deposits will be refundable depending on your agreement with the landlord or the utility and other companies.

(6) The architectural/engineering fee portion represents the cost of plans and specifications if, as currently required, you use our in-house architectural service, which includes construction management. The high-range charge will apply if the agency from which you obtain your building permit requires complete mechanical/electrical/structural drawings for the Restaurant. If you use (only with our pre-approval) an outside architectural or engineering service, your costs for these services could be as much as \$12,500 to \$15,000 higher (even apart from our \$5,000 fee). Professional fees are for attorneys, accountants, or other professionals from whom you seek advice.

(7) Leasehold improvement costs can vary significantly depending on factors like (i) whether pre-construction demolition of existing walls and partitions is required, (ii) whether the space was previously used as a restaurant and already contains facilities required by code, such as a grease trap, ventilation system, and fire extinguisher system, and (iii) regional differences in materials and labor costs. The high and low amounts reflect estimated leasehold improvement costs without any landlord tenant improvement allowances factored in but do include a 10% contingency (of the total estimated cost) for unexpected cost over-runs, delays, etc. (Not all of our franchisees receive tenant improvement allowances.) If your landlord provides a tenant improvement allowance and you do not experience significant cost over-runs, delays, etc., your actual leasehold improvement costs might be at the lower end of the estimate (although your landlord might incorporate the amount of the tenant improvement allowances into your rent). Although we expect all projects to fall within the indicated range, as we continue to expand into higher cost markets, our experience with these costs could change significantly. During our 2011 fiscal year, we opened 29 franchised Restaurants. We have detailed information on 27 of the Restaurants opened: 18 franchisees received tenant improvement allowances ranging from \$8,800 on the low end to \$62,525 on the high end. Factoring in the 10% contingency referenced above, leasehold improvement costs for these franchisees ranged from approximately \$74,391 on the low end to \$314,830 on the high end, with an average of \$163,384 (11 of the franchisees were below this average number). None of the remaining 9 franchisees received tenant improvement allowances. Factoring in the 10% contingency referenced above, leasehold improvement costs for these franchisees ranged from approximately \$121,408 on the low end to \$312,928 on the high end, with an average of \$186,727 (5 of the 9 franchisees were below this average number). Depending on the market in which you develop, you might experience costs exceeding the range listed in the table.

We may require you to upgrade, remodel, and refurbish the Restaurant during the franchise term. The cost will depend on your Restaurant's condition at the time and the specific changes we require. These changes might be based on the standards and specifications then in place for new Wingstop Restaurants.

(8) The cost of obtaining business, health, and liquor licenses can vary considerably from area to area. Before signing a Franchise Agreement, you should consult with the appropriate local agencies in your area concerning the various expenses likely to be incurred. In addition to a health department permit, you must obtain a permit to sell beer and wine. The low range assumes your Restaurant is located in a “wet” area and that you can obtain a “beer-only” permit. The high range assumes your Restaurant is located in a “dry” area and that you must establish a private club to qualify for an alcoholic beverage permit. Other states may have license fees that are substantially lower or higher.

(9) You must purchase your décor package before installation. This item includes standard interior and exterior décor, including shipping.

(10) The high and low amounts represent the price to buy (not lease) new equipment. This range includes stainless steel fixture production and audio-visual equipment.

(11) You must purchase and install the POS electronic cash register equipment and other required equipment according to our specifications. You may add an additional terminal at your option. You also must have a dedicated phone or data line for the cash register.

(12) You must spend at least \$2,500 on your grand opening advertising. However, we recommend that you spend \$5,000. The total amount must be spent within 60 days after your Restaurant opens for business. You also must send us proof of paid invoices for your grand opening advertising within 60 days after your grand opening. If you are developing a Wingstop Restaurant in a Developing Market under a Franchise Agreement granted under our 2010 Incentive Program, we will spend \$8,500 of each \$10,000 per-Restaurant development fee you previously paid to help promote and advertise that Restaurant. If you are developing a Wingstop Restaurant in a Developing Market under a Franchise Agreement granted under our 2011 Incentive Program, we will spend \$5,000 of each \$12,500 per-Restaurant development fee you previously paid to help promote and advertise that Restaurant.

(13) Assumes you will need the indicated amounts for rent, utilities, wages, inventory purchases, office supplies, printed materials, phone, facsimile, employee training, pre-opening and regular salaries for managers, wages of hourly employees, insurance premiums, debt service, real estate services, legal, internet/intranet expense, accounting expenses, and other expenses during the initial phase of your Restaurant’s operation, which we estimate to be 3 months. Includes expenses for travel, lodging, meals, transportation, and incidental expenses for two trainees to attend our required training program. This amount is only an estimate, and it is possible you will need additional working capital during the first 3 months you operate your Restaurant and for a longer time period after that. This 3-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even. We cannot guarantee when or if your Restaurant will break even. Your costs will depend on whether you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the nature of the local market for your products and services; the prevailing wage rate; competition; and your Restaurant’s sales during the initial period. We relied on our many years of franchising and operating Restaurants (see Item 1) to compile this Additional Funds estimate.

(14) You should review these figures carefully with a business advisor before deciding to acquire the franchise. Except as described in Item 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. The total investment for a “take-out only” Restaurant could be \$20,000 to \$30,000 less than the amount shown for a standard Restaurant. We may allow you to open a “take-out only” Restaurant only in special circumstances that we, in our sole judgment, consider

particularly suited to that approach. We usually will not allow a “take-out only” Restaurant to be constructed in a market that does not already contain at least one standard Restaurant.

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

We are the lone designated supplier for preliminary equipment drawings and, within the continental United States, architectural and construction management services for your Restaurant’s build-out. If we allow you, in our sole judgment, to use an outside architect/consultant, we have the right to approve that consultant before releasing any designs or plans. (See Items 5 and 7) We are an approved, but not the designated, supplier of logo-imprinted paper goods and promotional merchandise. (No affiliate of ours is a supplier of any item.)

You must use our proprietary sauces, seasonings, and spice blends and purchase them and other proprietary products only from us or a source we designate. You must purchase your interior décor package and logo-imprinted paper goods from sources we designate or approve. You also currently must buy potatoes from our designated sources, which prepare these potatoes according to our proprietary specifications. (We may, but have no obligation to, waive this buying requirement temporarily for franchisees in locations where freight costs for shipping our proprietary potatoes would in our opinion be excessive.) We may require you to purchase from us or designated sources certain promotional merchandise for resale to your customers. As part of our initial services, we will help you find a chicken wings supplier and a grocery products distributor satisfying our standards. We periodically may negotiate arrangements with one or more suppliers on a regional basis to supply potatoes and chicken wings for a set price, in which case you must use the designated supplier.

If this is your first Wingstop Restaurant, you must use bookkeeping services provided by our designated franchise accounting service for at least the first 12 months of the Restaurant’s operation. After this 12-month period, you may seek our approval to use other accounting services. We may, but need not, approve your request if we are satisfied that your requested accounting service can furnish required reports and other financial information in compliance with our minimum standards.

The suppliers you must use will be designated, and their contact information will be provided to you, when you sign the Franchise Agreement. One of our officers owns a small number of shares (*i.e.*, a non-controlling interest) in Pilgrim’s Pride Corporation, an unaffiliated publicly-traded company that supplies chicken wings to our system and other foodservice companies. Our officers otherwise currently do not own an interest in any suppliers.

Except for the items described above, we currently do not require you to purchase any goods or services from us or any other designated source, although we have the right to change these requirements as we deem best. During 2011, we received revenues of \$203,232 from selling interior décor packages to franchisees, representing approximately 0.46% of our total revenues of \$43,961,777 for the fiscal year ended December 31, 2011. (We no longer sell interior décor packages to our franchisees; they purchase them from one or more unaffiliated suppliers.) We also received revenues of \$435,200 from franchisees for providing architectural and construction management services, representing approximately 0.99% of our total 2011 fiscal year revenues of \$43,961,777. (Both figures are taken from our audited income statement.) During 2011, we did not receive any license fees, rebates, or other revenues from the sale by suppliers of proprietary sauces, seasonings, and spice blends, logoed items, or other proprietary items to our franchisees, but we reserve the right to do so in the future. An outside consultant receives up to 1% of all grocery sales made by approved distributors to franchised and company-owned Restaurants. That consultant negotiates reduced prices from the distributors, assists with logistics, audits distributor

invoices, and assists with freight rates. We do not receive any of this money. (As noted, this 1% also is paid on our own purchases from the distributors.)

We have negotiated with our soft drink suppliers to offer soft drink dispensing systems, along with associated branded products, in all Restaurants throughout our chain. We received rebates and related payments from those suppliers in 2011 totaling \$2,730,452. We deposited the majority of these payments into the general Ad Fund for the entire chain's benefit. We deposited the remainder of the payments into our general funds to be used for the entire chain's benefit for national marketing, marketing support, and research and development. Our soft drink suppliers also pay us and our franchisees directly a certain amount for each gallon of fountain post-mix syrup used in the Wingstop Restaurants we and our franchisees operate (the amount paid is the same for company-owned and franchised Restaurants).

We insist that you use ingredients and supplies satisfying our grade and quality standards. Except for our proprietary sauces, seasonings, spice blends, and potatoes, logo-imprinted paper goods, interior décor packages, and (at our direction in some cases) promotional merchandise and chicken wings, we do not mandate where you buy your ingredients and supplies or the brands you use, so long as you comply with our grade and quality standards.

We maintain lists of the manufacturers or brand names of the furniture, fixtures, and equipment we recommend you buy for your Restaurant. We also maintain a list of the distributors and suppliers from whom we recommend you buy these items. We do not require you to buy or use particular brands of furniture, fixtures, or equipment. We only require that the items you select are capable of performing their intended functions in a reliable way.

You may purchase computer hardware and software from any approved supplier meeting the basic requirements described in Item 11.

You must participate in, and comply with the requirements of, any gift card, customer loyalty or retention, or special promotional program that we implement for all or part of the Wingstop system and sign the forms and take the other action we require for you to participate in these programs.

Except as provided above, we currently do not receive any rebates, commissions, revenues, or other consideration from any supplier that furnishes goods or services to you or other franchisees. However, we and our affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with us, our affiliates, you, and other franchisees and to use all amounts received without restriction for any purposes we and our affiliates deem appropriate.

Supplier Approval. We do not currently designate the source from which you must purchase any ingredients, supplies, equipment, or other goods, except for our proprietary sauces, seasonings, spice blends, and potatoes; logo-imprinted paper goods; and (at our direction in some cases) promotional merchandise and chicken wings. Instead, we establish grade and quality standards and performance specifications for the goods you must purchase and sometimes specify ingredients by brand name. As a convenience to our franchisees, we have compiled a list of distributors and suppliers who carry furniture, fixtures, and equipment meeting our specifications and give you this list as part of our initial services package. We also help you locate suppliers of ingredients and supplies meeting our standards and specifications. We are currently fulfilling this obligation through our arrangements with at least 6 different suppliers around the country. Except for our proprietary sauces, seasonings, spice blends, and potatoes, logo-imprinted paper goods, and (at our direction in some cases) promotional merchandise and chicken wings, we do not mandate where you buy your ingredients, supplies, furniture, fixtures, or equipment if you purchase products satisfying our grade and quality standards or our brand specifications. If you wish to purchase products and equipment from someone other than a supplier we know and trust,

you must tell us in writing the source you propose to use and allow us to verify that the supplier can satisfy our standards and specifications. We will approve or deny your request within a reasonable time, normally 30 days. We currently do not charge any approval or testing fees. We generally do not give you any specific criteria on how we approve suppliers.

Our standards and specifications lists are part of our Operations Manual. When we change our standards and specifications, which we may do at our discretion, we will advise you of the changes by sending you revisions and supplements to the Operations Manual. You may not reorder any brand from any supplier that no longer is approved. We have the right to monitor the quality of goods and services provided by approved suppliers as we deem best and may terminate any supplier not meeting our current quality standards and specifications. Our specifications for proprietary products are trade secrets that we disclose only under a confidentiality agreement and only to the independent producers making the products for us. You must use our approved advertising and promotional materials and plans bearing our Marks in the form, color, location, and manner we prescribe.

As the Wingstop chain grows, we will continue to negotiate regional or national contracts for chicken and other commodities and may use a designated or approved supplier approach. If we negotiate purchase arrangements, we will seek to promote the overall interests of our franchise system and our interests as the franchisor. We have not adopted formal procedures for issuing and modifying supplier approval standards, but we expect to approve suppliers based on their ability to meet our specifications and quality control requirements and to supply products to franchisees at competitive prices. We currently do not provide material benefits to you (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.

You must purchase and continually maintain a comprehensive business insurance program, including property, liability, and workers' compensation insurance. We do not specify the insurance providers from which you may purchase this insurance; however, we do have minimum standards of quality you must satisfy. Your insurance carrier(s) must hold an AM Best financial strength rating of A-(Excellent)/VIII (\$100M to \$250M policy holder surplus) or better and be authorized to conduct business in the state where you operate. Further, unless otherwise noted, your insurance policies must be written on occurrence-based policy forms and may not be subject to unreasonable deductibles or retentions without our prior written approval. The types and minimum amounts of insurance coverage currently required are as follows:

- 1) Comprehensive General Liability Insurance, including Products & Completed Operations coverage, with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- 2) Dram Shop Liquor Liability Insurance with limits not less than \$1,000,000 per occurrence and in the aggregate;
- 3) Statutory Workers' Compensation insurance, including Employer's Liability coverage with limits not less than \$500,000;
- 4) Automobile Liability insurance with a combined single limit of \$1,000,000 for any owned, hired, or non-owned automobile used in your business;
- 5) "Follow Form" Umbrella/Excess Liability Policy with limits not less than \$2,000,000 per occurrence and in the aggregate;
- 6) Business Property Insurance that extends coverage on a replacement cost basis for business personal property, including electronic equipment, tenant improvements & betterments, and

business income and extra expense. Covered causes of loss should be “Special” or “All Risk” with coinsurance conditions not less than 80%. Coverage for Flood is also required for locations that reside in FEMA Flood Zones beginning with the letters “A” or “V”;

- 7) Employment Practices Liability insurance with limits not less than \$250,000 (claims made policy form is acceptable); and
- 8) Other insurance required by the state or local authority.

These coverage requirements are subject to change. All policies must name us (and our parent companies, subsidiaries, and other affiliates, and our and their respective officers, directors, owners, agents, representatives, and employees) as additional insureds for claims arising from your products and or operations and include a waiver of subrogation in our favor. These policies are required to respond on a primary and non-contributory basis to any insurance carried by us or our affiliates, may not otherwise limit coverage for tort liabilities assumed in the Franchise Agreement, and must provide us with 30 days’ prior written notice of change or cancellation. Certificates of insurance evidencing all required coverage conditions and, at our request, actual policies must be provided annually within 5 days after the policy expiration/renewal date.

Except as described above, there are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you currently must buy or lease from us (or an affiliate) or designated suppliers. Collectively, the purchases and leases described above are virtually 100% of your overall purchases and leases in establishing and operating your Restaurant. We have no purchasing or distribution cooperatives serving our franchise system.

ITEM 9
FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	3(b) and 6 of Development Agreement	11 and 12
b. Pre-opening purchases/leases	6(a) and 7(b) of Franchise Agreement	5, 7, and 8
c. Site development and other pre-opening requirements	6 of Development Agreement 7(b), (c), and (d) of Franchise Agreement	5, 7 and 11
d. Initial and ongoing training	7(c)(3), 7(c)(7), and 7(c)(9) of Franchise Agreement	11
e. Opening	6 of Development Agreement 7(c)(5) and Signature Page of Franchise Agreement	11

Obligation	Section in agreement	Disclosure document item
f. Fees	8 and 16(e) of Development Agreement 3, 6(a)(1), 6(a)(6), 7(b)(3), 7(c)(5), 7(c)(24), 7(c)(26), 7(c)(27), 7(c)(29), 8(a), 8(b), 8(c), 9, 10, 13(b)(10), 14, 15, 18, 19, and 26(d) of Franchise Agreement; Franchise Agreement Riders for Developing Market Incentive Programs	5, 6, and 7
g. Compliance with standards and policies/operating manual	5, 7(c), and 9 of Franchise Agreement	8 and 11
h. Trademarks and proprietary information ^{1,2}	2 of Development Agreement 7(c)(12), 7(c)(15), and 12 of Franchise Agreement	13 and 14
i. Restrictions on products/services offered	2(c), 5(d), 7(c)(6), 7(c)(11), and 12(a)(3) of Franchise Agreement	8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	5, 6, and 9 of Development Agreement 4 of Franchise Agreement	12
l. Ongoing product/service purchases	7(c)(6) of Franchise Agreement	6 and 8
m. Maintenance, appearance, and remodeling requirements	5, 7(c)(1), 7(c)(16), 7(c)(17), and 11(b) of Franchise Agreement	11 and 17
n. Insurance	7(c)(26) of Franchise Agreement	6, 7, and 8
o. Advertising	7(c)(12), 7(c)(13), and 8 of Franchise Agreement; Franchise Agreement Riders for Developing Market Incentive Programs	6, 7, and 11
p. Indemnification ²	7(c)(27) of Franchise Agreement	6
q. Owner's participation/management/staffing	6(a)(3) and 7(c)(9) and Glossary of Terms – Designated Principal and General Manager of Franchise Agreement	11 and 15
r. Records and reports	7(c)(20)-7(c)(26) and 8(b)(3) of Franchise Agreement	Not Applicable
s. Inspections and audits ²	7(c)(18), 7(c)(24), and 7(c)(25) of Franchise Agreement	6 and 11
t. Transfer ²	12 of Development Agreement 13 of Franchise Agreement	17

Obligation	Section in agreement	Disclosure document item
u. Renewal	10 of Development Agreement 11(b) – 11(f) of Franchise Agreement and 8 of Renewal Rider	17
v. Post-termination obligations ²	11(f), 12(a)(10), 12(b)(2), and 17 of Franchise Agreement	17
w. Non-competition covenants ²	14 of Development Agreement 19 of Franchise Agreement	15 and 17
x. Dispute resolution ²	15 and 16 (f) and (g) of Development Agreement 24 and 26(e) and (f) of Franchise Agreement	17
y. Security interest	19(f) of Franchise Agreement	Not Applicable
z. Participation in gift card programs	7(c)(30) of Franchise Agreement	6 and 8

(1) You must ask all employees to sign a confidentiality agreement in a form acceptable to us and enforceable in your state, obligating those who sign to honor the confidentiality restrictions.

(2) If you are a business entity, the Guaranty and Acknowledgment attached to the Franchise Agreement imposes these obligations on your general partners (if you are a partnership) or people who own 5% or more of your voting equity (if you are a corporation or limited liability company).

ITEM 10 **FINANCING**

Except as provided below, we do not offer direct or indirect financing. We will not guarantee your note, lease, or other obligation. Our franchise documents have received approval from the Small Business Administration to be listed on the Franchise Registry as an SBA-approved franchise. The listing can be viewed at www.franchiseregistry.com. Most of our franchisees have received SBA assistance.

We currently offer an indirect financing program to our franchisees through the Franchise America Finance/Bancorp Bank Small Business Administration (“SBA”) Loan Program described below. This program currently is scheduled to run through approximately March 2013, although we, Franchise America Finance, and Bancorp Bank may agree to extend or renew the program’s term at that time. Franchise America Finance and Bancorp Bank are not affiliated with us. The program covers financing for both the development of new Restaurants and the refinancing, transfer, or resale of existing Restaurants (including working capital but not initial franchise fees). To make this indirect financing available to our franchisees, we have agreed to pay Bancorp Bank a closing fee equal to 0.5% of the principal amount of each loan for a new Restaurant once the loan closes. However, we are not involved in Bancorp Bank’s lending decisions. Bancorp Bank has sole discretion to approve or decline a franchisee’s loan application based on Bancorp Bank’s franchisee lending criteria, which may include minimum FICO scores, net worth, business experience, liquidity, debt service coverage, and cash injection. General conditions in the credit markets also may impact its decision. We and our affiliates do

not guarantee or co-sign our franchisee’s notes or other obligations with Bancorp Bank. You acknowledge this and related facts by signing the letter acknowledgment included in Exhibit K.

Samples of Bancorp Bank’s current forms of loan documents for its SBA Loan Program are attached to this disclosure document as Exhibit K. They include an Agreement of Franchisor, a sample U.S. Small Business Administration Note (the “Note”), Unconditional Guarantee (the “Guarantee”), Security Agreement, Mortgage, and Deed of Trust. We summarize below the loan terms generally offered by Bancorp Bank’s SBA Loan Program, although the loan’s precise terms depend on the factors above. Please also refer to the explanatory footnotes appearing after the chart. Bancorp Bank and Franchise America Finance (or other third parties involved in the loan process) may require you to pay various fees or incur various expenses as part of the loan process.

Item Financed	Source of Financing	Amount Financed	Term	Annual Interest Rate	Monthly/ Quarterly Payment	Pre-payment Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Investment (including working capital)	Bancorp Bank	Up to \$445,000 (1)	10 years (2)	Variable rate up to the maximum amount allowed under SBA Guidelines (3)	(4)	No (5)	Yes (6)	Yes (7)	Yes (8)

Notes:

(1) The amount financed depends on each particular loan and related circumstances, including the estimated cost of building or acquiring your Restaurant, your credit history, and the other factors listed above.

(2) The loan’s term depends on each particular loan and related circumstances, including the loan amount, your credit history, and the other factors listed above. Working capital loans generally will be paid to franchisees in no more than 3 installments and no more frequently than every 60 days on a reimbursement basis verified against payment records acceptable to Bancorp Bank.

(3) A variable interest rate will apply up to the maximum amount allowed under SBA regulations. The maximum interest rate allowed under SBA regulations currently is Prime + 2.75% or variable rates pegged to the LIBOR Base Rate or the Optional SBA peg rate. As of this disclosure document’s issuance date, the applicable maximum interest rate was approximately 6%. “Prime Rate” means the prime rate published from time to time in the Money Rates section of The Wall Street Journal or, if that rate is not published in The Wall Street Journal, the comparable index or reference rate designated by the SBA.

(4) The total number of payments depends on the loan’s term and will be designated in Section 3 of the Note.

(5) You may prepay the debt at any time without premium or penalty.

(6) To obtain a loan through Bancorp Bank’s SBA Loan Program, Bancorp Bank generally will require you to sign a Security Agreement covering, among other things, all of your accounts, inventory, equipment, furniture, fixtures, tangible property, general intangibles, chattel paper, and other instruments.

(Section C of Security Agreement) All of your owners (if the franchisee is an entity) with a 20% or greater ownership interest in you, and their spouses, likely will be required to sign a personal guarantee, meaning that those people are personally responsible for the debt. Bancorp Bank also may require you to sign any other documents it deems necessary to secure the loan amount, including a Mortgage and/or Deed of Trust on your real estate (*e.g.*, home). This means that, if you default and fail to cure the default (Section J of Security Agreement and Article 3 of Mortgage), Bancorp Bank may seek to recover all of your real and personal property assets to help satisfy your financial obligations. You generally will also be responsible for Bancorp Bank's collection costs and attorneys' fees.

Under the Guarantee, the guarantors, who are jointly and severally liable, waive the right, among other things, to require presentment, protest, or demand on the borrower, to redeem or require valuation of the collateral, and to assert defenses. The guarantor also waives notice of default under the Note, execution of the Note, action or inaction on the Note or collateral, change in the borrower's financial condition, changes in the Note's terms (except increases in amounts due), and other matters. (See Sections 6.A., B, and C of Guarantee)

(7) If there is a default under the Note (see types of default in Section 4 of the Note), Bancorp Bank has the right to (a) require immediate payment of all amounts due under the Note, (b) collect all amounts owed from you or any guarantor, (c) file suit and obtain judgment, (d) take possession of any collateral, or (e) sell, lease or otherwise dispose of any collateral at public or private sale. (Section 5 of Note) Bancorp Bank also may exercise any other rights under the Note, Security Agreement, Guarantee and other loan documents, including foreclosing on your assets and taking legal action against one or more guarantors for payment of all amounts due. (Section 6 of Note and Article 4 of Mortgage) It also may seek all attorneys' fees and costs incurred in enforcing its rights.

(8) An uncured default under the terms of any loan agreement with Bancorp Bank may also be a default under your Franchise Agreement, allowing us to terminate the Franchise Agreement, if the loan default causes a foreclosure on or similar action against the Restaurant's assets securing the loan (see Sections 16(b)(3) and 16(c)(2), (6), and (7) of your Franchise Agreement).

Because the financing arrangement described above is not directly with us, we have no practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement. We and our affiliates receive no consideration for placing financing with Bancorp Bank. To the contrary (as disclosed above), we have agreed to pay Bancorp Bank a closing fee equal to 0.5% of the principal amount of each loan for a new Restaurant once the loan closes.

ITEM 11

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

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

Site Selection. During the Development Agreement's option period:

(1) We give you general guidelines to look for and consider in choosing a site for your Restaurant. [§3(a) of the DA] We do not own any real estate on which Restaurants are located and generally do not lease Restaurant sites to franchisees.

(2) We provide you information about a typical Restaurant's lay-out, utility requirements, and signs and a Lease Rider containing provisions we require to be attached to every Restaurant lease. [§3(a) of the DA]

(3) We will evaluate and critique the written site proposals you submit for our consideration and may, at our option, visit your development area to inspect the sites you propose. [§3(b)(iii) of the DA] Whether or not we physically visit a proposed site, you may not proceed with negotiations to lease the site before we approve it.

(4) We may review the final draft of your Restaurant's lease to determine whether it contains particularly burdensome or restrictive terms and advise you about the consequences of any objectionable provisions. However, we encourage you to have the lease reviewed by your own legal advisor. When you have successfully negotiated and executed an acceptable Restaurant lease, we evidence our satisfaction with the site by signing a Franchise Agreement for your Restaurant. [§§3(b)(v) and (vi) of the DA]

Pre-Opening Assistance. Between the time you sign a Franchise Agreement and the time your Restaurant opens:

(1) We will give you a development guide with steps and procedures designed to assist you in completing the requirements in the Franchise Agreement. [§§5 and 12 of the FA]

(2) We give you a list describing the steps you and your general contractor must follow to build out and equip your Restaurant. [§6(a)(1) of the FA] The list includes specifications for the fixtures and equipment you must install in your Restaurant. We also provide preliminary equipment drawings and architectural and construction management services. (See Item 5)

(3) We give you lists of the approved inventory, supplies, paper goods, and small-wares you will need to stock and operate your Restaurant, together with the names of any suppliers we have designated or approved, including us or our affiliates. [§6(a)(2) of the FA] These lists include the quality and grade specifications we have adopted for poultry, potatoes, logo-imprinted paper goods, and other ingredients and supplies you will need.

(4) Each candidate coming to the Corporate Training Class must have completed a state or nationally-approved Sanitation Certification Course in his or her local community. These certifications typically are 2-day courses and range in price from \$65 to \$150 per attendee depending on the area. We must receive a copy of the certification before the candidate may participate in training.

(5) Before you arrive for training, we loan you one set of the Operations Manual per Restaurant. This Manual always remains our property and must be kept inside the assigned location and in proper order at all times. (See Item 14) [§6(a)(6) and 6(b)(5) of the FA] Exhibit D is the Operations Manual's Table of Contents and the number of pages we devote to particular subjects. The total number of pages in the Operations Manual currently is approximately 500 (which could increase or decrease).

(6) We provide you (or, if you are a business entity, your Designated Principal) and your manager initial training at our headquarters in Richardson, Texas. (If you or your Designated Principal does not plan to be your Restaurant's full-time General Manager, then we require attendance by you or your Designated Principal and at least 2 full-time managers, working at least 40 hours per week in the Restaurant, who will be primary in operating and managing your Restaurant. If you or your Designated Principal does not plan to be your Restaurant's full-time General Manager and you can demonstrate to us that your company has overseen the operation of at least 5 restaurants for at least the last 3 years and that the people involved in operating those restaurants intend to oversee your Wingstop Restaurant(s), we may, in our sole judgment, approve your written request to waive the owner training requirement and instead have 1 of those people and 1 full-time manager attend the training class.) Our company-owned Restaurants are used for in-store training. If we determine that you (or your Designated Principal) or your

manager(s) cannot complete initial training to our satisfaction, we have the right to postpone the Restaurant's opening until 2 qualified and fully-trained candidates are available. We also have the right to postpone the Restaurant's opening if we determine that a person in our training program (i) falsified any documentation, (ii) made any material misrepresentations, (iii) was not approved under our standard application procedures, (iv) failed to complete all the training hours in our training program, (v) failed to pass our training program examinations, or (vi) is disruptive, disrespectful, a continual hindrance to teaching procedures, or affecting the class in a negative manner. We have the right to expel that person from our training program and postpone the opening until a qualified, trained candidate is available. You must pay any damages we experience due to the expulsion and will be charged for training costs. (For a discussion of the role of the General Manager, see Item 15) [§6(a)(3) of the FA]

The following table describes our current training program. The times indicated in the Hours of Training columns are estimates; we plan to spend as much or little time on a particular topic as our students need to master it. We use the Operations Manual, workbooks, menus, and other training aids during the training program.

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The- Job Training	Column 4 Location*
Introduction/Wingstop Culture	3	0	Our training facility
Franchising and Brand Development	5	5	Our training facility
Ops. Manual	1	0	Our training facility
Food Preparation and Storage	0	12	Our training Restaurant
Food Safety & HACCP ⁽¹⁾	8	0	Our training facility
Specific Position Training/Navigator/Pilot/Wingman/Bombardier/Gunner/Paratrooper ⁽¹⁾	0	100	Our training restaurant
Personnel – Hiring & Training	4	0	Our training facility
Uniform Standard & Hygiene	1	0	Our training facility
Cleaning, Sanitation & Maintenance	1	6	Our training facility and training restaurant
Marketing, Advertising & Promotions	5	0	Our training facility
Communications & P.O.S. Systems	8	4	Our training facility and training restaurant
Costs/Breakeven/What a guest is worth/Accounting	1	0	Our training facility

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The- Job Training	Column 4 Location*
Wingnet/Human Resources/Polling/Guest Complaints	1.5	0	Our training facility
Research & Development ⁽¹⁾	1	0	Our training facility
Security	1.5	0	Our training facility
Labor Matrix/P&L/COS/SPMH/ Case Counts/WSR	8	2	Our training facility
Homework	0	10 (at home)	
Exit Interview/Wrap up	.5	0	Our training facility
New Restaurant Opening & Operations Expectations	1	0	Our training facility
Operator Simulation (In Training Restaurant)/Polling/ Register Set- Up/Inventory/ Gift Cards/Schedules/ General Fund	0	8	Our training Restaurant
Reviews & Final Examination	12	0	Our training facility
Total Training:	62.5	147	

*Our training facility and restaurant are in Richardson, Texas.

(1) These hours will be split between classroom and on-the-job training in varying amounts. The number of hours represents the total number of hours for this portion of the training.

Two people — you (or your Designated Principal) and your General Manager (or you or your Designated Principal and 2 full-time managers, if you or your Designated Principal is not involved on a full-time basis (*i.e.*, a minimum of 40 hours per week) in the day-to-day operations of the Restaurant) — must attend and successfully complete to our satisfaction the 4-week training program before you will be issued an opening date for your Restaurant (although there is no specific deadline after you sign the Franchise Agreement or before you open the Restaurant by which you must complete training). Although we have not done so in the past, we reserve the right to charge a reasonable tuition fee for persons who need to repeat the training program or receive supplemental training to complete the program successfully. (See Item 6) If you plan to open one or more additional Restaurants, we will provide training to both the new General Manager and the new Assistant Manager (if you or your Designated Principal is not involved with the new Restaurant on a full-time basis) without tuition at our headquarters in Richardson, Texas. Unless you are an individual who will operate your own Restaurant, you must hire

a General Manager who either has roots in the general area where the Restaurant is located or is willing to move into the general area.

We conduct this 4-week training program an average of 8 times a year based on the nationally-observed holiday schedule and will schedule you and your managers in our training program based on your Restaurant's scheduled construction completion date. You must complete a training application for each candidate to attend training. Candidates will be approved to attend training only after meeting the following requirements: all financing has been secured and supporting documentation is received and confirmed by the WRI Construction Department; a 50% deposit is paid on signage and all equipment for the Restaurant (including the POS system) and the supporting documentation is received and confirmed by the WRI Construction Department; and the Notice to Proceed from the Construction Department must be issued at least one week before the first day of the training class. You can expect to attend the training program once construction begins on your Restaurant and the other previous requirements are met. The training class lasts 27 consecutive days with at least one day off each week and must be completed within the 27 consecutive days. Our training program commences on the most convenient Monday of the given month that does not conflict with the nationally-observed holiday schedule and concludes 4 weeks later on Saturday. A yearly detailed training schedule can be found on the WINGNET when you execute the Franchise Agreement.

We provide initial training without charge for all required attendees if this is your first Restaurant. However, if the franchise relates to your second or subsequent Restaurant, we provide training without tuition charge for anyone in your management structure (including General Managers, Assistant Managers, and Shift Leaders). You always must pay the travel, lodging, and incidental expenses of those you send for training. You also must pay your managers' salaries while they are in the training program.

We may, at our sole discretion, require supplemental, refresher training or recertification examination for all franchisees and their managers. However, if they fail the recertification exam, then they must apply for, attend, and successfully complete the next available 4-week training program in its entirety. Only those franchisees or General Managers who have successfully completed our training program may train other General Managers, Managers, Assistant Managers, or Shift Leaders. Those candidates must be trained for a minimum of 6 months under the supervision of a corporate-trained franchisee or General Manager who completed our training requirements in order to run a shift solo. We also require, at our discretion, training for persons who are participating in the transfer or sale of a Restaurant. You may repeat the training program if you choose, subject to availability of pupil space. We may charge a reasonable tuition fee for repeat training but do not currently do so; any travel, day charges, living expenses, and salaries will be your responsibility for all attendees. (See Item 6) [§6(a)(3) of the FA]

Patrick Campbell is primarily responsible for teaching the monthly franchisee and manager training classes. He has been a member of our training staff since April 2007 and therefore has experience in all aspects of our training program.

(7) We help your architect (if we grant your request to use an outside architect rather than us) or general contractor lay out a floor plan for your kitchen and storage areas that is designed to create work flow efficiency and save employee time and energy. The Restaurant's layout must meet all of our design criteria. We must approve all proposed changes to our design before you implement them. [§6(a)(7) of the FA]

(8) We help you find a local supplier of poultry and other supplies and ingredients meeting our specifications. If we cannot find a suitable supplier locally, we will arrange for a qualified supplier to

drop-ship the items to you. You must make your own credit arrangements with your suppliers. [§6(a)(8) of the FA]

(9) If the Restaurant is your first Restaurant, we send an Opening Restaurant Trainer to your Restaurant for up to 6 days. It is your responsibility to receive and put away the grocery order, pre-train staff, prep the recipes, and have the Restaurant 100% ready for opening before the trainer's arrival. The Opening Restaurant Trainer will help you train your staff and ensure that all staff members are working according to the established operating system detailed in the Operations Manual. If the Restaurant is your second or later Restaurant, we may send a Franchise Business Consultant and/or Opening Restaurant Trainer for the amount of time we consider adequate. [§6(a)(3) and 6(b)(1) of the FA]

If you purchase an existing Restaurant franchise, we will not provide the services described in paragraphs (1), (2), (7), and (8) of the preceding section because those services relate to the opening of a new Restaurant. However, if you are not already a part of the Wingstop system, we will provide the services described in paragraph (9).

Operational Assistance. We provide you the following assistance after your Restaurant opens:

(1) We will help you plan and set up a local program for publicizing and promoting your Restaurant's opening. [§6(b)(2) of the FA] (Also see Items 5 and 7 above.)

(2) We make our staff accessible to you or your General Manager for consultation by fax, written communication, e-mail, and the electronic bulletin board we maintain on our Intranet. We will occasionally send representatives to your Restaurant to conduct quality/service/cleanliness inspections and make recommendations about your use of our trade name and trademarks, but we will not provide regular field supervision. [§6(b)(3) of the FA]

(3) We will arrange for the distribution of our proprietary sauces and seasonings in quantities sufficient to satisfy your reasonable needs. You must make your own credit arrangements with your suppliers. Your failure to maintain a satisfactory payment history with your suppliers relieves us of our distribution obligations to you. We are also relieved of our obligations if you do not pay your royalties or marketing fees on time. [§6(b)(4) of the FA]

(4) We will give you access to additions and supplements to the Operations Manual and our other copyrighted materials and will disclose additional trade secrets, if any, we develop relating to the Restaurant's operation. All of these materials remain our property. (See Item 14) [§6(b)(5) of the FA]

(5) So long as you comply with the Franchise Agreement's financial, operational, and reporting requirements, we will invite you to all conventions, seminars, and other franchisee-oriented functions we plan and sponsor. You may attend any company-sponsored event (except our annual convention) at no charge, but you must bear your own transportation, lodging, and meal expenses. We charge a fee to attend our annual convention to help defray the costs associated with the event. (See Item 6) [§6(b)(6) of the FA]

(6) We will let you purchase equipment and inventory items from or through any distribution network we develop. [§6(b)(7) of the FA]

(7) We will use your contributions to our Ad Fund (see Advertising Assistance below) only to create marketing and promotional materials, to run advertising campaigns in markets we select, to pay for public relations projects, and to help defray part of our marketing overhead expenses and part of our costs to set up and maintain an Internet Website. [§8(a)(2) of the FA]

We will, at our option, make creative materials produced with Ad Fund contributions (including newspaper inserts, direct mail flyers, point-of-purchase promotional pieces, television and radio commercials, menu formats, and other marketing and product identification materials) available to you or directly to your advertising vendor, as we deem best. [§8(a)(3) of the FA]

We will include a “Restaurant locator” page on our Internet Website and allow you to create and post interior pages on our Website that describe your Restaurant. [§9(a)(2) of the FA] You must use a template we provide to create your pages and obtain our approval of your pages before you post or change them. You also must agree to comply with our privacy policy, terms of use, and Internet advertising policies.

Advertising Assistance. The Franchise Agreement contemplates four levels of advertising: (1) system-wide advertising, which we coordinate through our Ad Fund; (2) local advertising, which you handle with materials we create or approve; (3) cooperative advertising with other Restaurant operators in your market; and (4) Internet advertising. You may not use your own advertising materials without our prior permission.

Ad Fund. We created an Ad Fund pursuant to Section 8(a) of the Franchise Agreement in July 1999. All Restaurants, including ours, must contribute to the Fund. (See Items 6 and 9) The maximum contribution rate is 2% of Gross Sales, which is the rate established when we created the Ad Fund. However, by majority vote, franchisees can raise the contribution ceiling above 2% of Gross Sales; we cannot unilaterally increase the ceiling or vote on a proposal to increase it. With one exception, all Restaurants in the United States using the Wingstop name contribute at the same rate. (The one exception is a franchisee in Texas operating under the “Wingstop Sports” name on a test basis; that franchisee must pay 1% of its Gross Sales into the Ad Fund.)

We control the Ad Fund’s operation. The Franchise Agreement permits us to spend Ad Fund contributions only to create marketing materials, to place media in various markets at our discretion, to pursue public relations projects enhancing the Wingstop system’s image, and to help defray our marketing overhead expenses, including part of the cost of maintaining our Website and Intranet. [§8(a)(2) of the FA] We have sole control over the creative concepts, content, and form of all advertising and promotional materials developed with Ad Fund contributions and the allocation of Ad Fund monies to production, placement, or other costs as we deem necessary. We do not guarantee that each Restaurant will receive equal benefits or identical coverage from expenditures of Ad Fund contributions. We need not spend any particular amounts in any particular market area. We may spend Ad Fund contributions to place and run advertisements, commercials, and promotional materials in local, regional, and national media (including print, radio, and television). As noted under Local Advertising below, we currently create advertising materials in-house, although we also may use an outside regional or national advertising agency.

We usually do not spend all Ad Fund contributions in the fiscal year we collect them because we typically set aside money to fund an advertising campaign in January of each year. In our 2011 fiscal year, our Ad Fund had a beginning balance of (\$177,597). We received Ad Fund contributions totaling \$7,680,674 and spent \$8,241,603 in the following manner: 15% on production expense, 18% on media placement, 19% on administrative expenses (including payments to us), 18% on promotional expenses, and approximately 30% on other items (including rebates to franchisees and advertising cooperatives for expenditures used primarily for media placement). We will make available to you at the end of each year upon written request an unaudited statement of the Ad Fund’s contributions and expenditures for the preceding year.

Any Ad Fund contributions not spent in the year contributed typically will be spent in the following year. We are not required to account to franchisees for the way we spend Ad Fund contributions and need not prepare formal financial statements. However, we may provide quarterly Ad Fund receipts and disbursements reports and allow franchisees to examine our Ad Fund records on request. If you request the Ad Fund records we maintain, we will (at our option) send you a copy or give you access to these records at our main office. The Ad Fund is not audited. We do not use any Ad Fund contributions to promote franchise sales.

In December 2002, we organized a Franchise Advisory Council (“FAC”) to consult with us about system-wide advertising themes and campaigns and other operational matters. The FAC is composed of 11 franchisee members, all of whom are elected by our franchisees. FAC meetings are scheduled quarterly. The FAC functions only in an advisory capacity, and we may disregard its recommendations if we choose. The Franchise Agreement contains no provisions regarding an advertising council or committee. We may change, merge, or dissolve the FAC.

Local Advertising. We advertise our Restaurants primarily through local direct mail and newspaper advertisements and expect that you will follow the same pattern. While we recommend that you spend at least 4% of your Gross Sales on local advertising and promotions, we do not specify an amount you must spend.

We currently create our advertising materials in-house and have them produced by a local printer. We may elect to use an outside advertising agency, and you may use your own advertising agency, subject to our right to pre-approve all uses of our trademarks on materials we do not give you. You must submit your request for approval in writing. [§12(a)(6) of the FA] We plan to respond within 14 days after we receive a request for approval. So far, most of our franchisees have routinely used the advertising materials we create.

Special Promotional Campaigns. In addition to any local advertising you conduct, we may develop other advertising promotions designed to enhance the collective success of all Restaurants. These special promotional campaigns may be local, regional, or national in nature. You may participate in all advertising promotions according to the terms and conditions we establish for these special programs. Your participation sometimes might be required.

Advertising Cooperatives. When you and at least one other Restaurant operator (including us) have opened Restaurants in the same Designated Market Area (or “DMA,” an advertising term defined in the Franchise Agreement Glossary), we may require you and the other operator(s) to form a cooperative advertising association (which actually might be a formal “cooperative” entity under state law or could be an informal collaborative association). Each cooperative’s members will set their own contribution rate for the cooperative, but we have the right to disapprove a rate lower than 2% of Gross Sales. The members of the advertising cooperative will administer the cooperative; we will step in only to resolve disputes the members cannot settle in 45 days. [§8(c)(2) of the FA] Advertising cooperatives have been formed in Dallas/Fort Worth, Texas; Oklahoma City, Oklahoma; Houston, Texas; San Antonio, Texas; Austin, Texas; Miami-Ft. Lauderdale, Florida; Los Angeles, California; San Francisco, California; Sacramento-Stockton-Modesto, California; Chicago, Illinois; and Phoenix, Arizona. We expect new advertising cooperatives to be set up shortly in Denver, Colorado and San Diego, California. We generally require that the cooperative operate from written bylaws (a form of which we will specify) open to review by all franchisees. We suggest that the cooperative prepare periodic unaudited financial statements for review by all member franchisees. We can change, dissolve, or merge any cooperatives. While each franchisee’s obligation to contribute to the cooperative is a financial obligation owed to us that we may enforce, we typically have the franchisee pay the cooperative directly.

Internet Advertising. We advertise Wingstop products, services, and Restaurants through a Website we maintain at www.wingstop.com. We have set up a “site locator” page on the Website showing the addresses and telephone numbers of Restaurants in the Wingstop network. If you wish, you can design interior pages featuring and promoting your Restaurant and tie them to the locator page. If you do, you must use a template we provide, submit your pages for our approval before you post them, and agree to abide by our terms of use. You may not use the Wingstop name or trademarks on the Internet in any other way. You must pay to develop and maintain your own pages. Further, we can assess you up to \$50 per month to pay for the Website’s and Intranet’s maintenance and improvement (see Item 6) and may use part of the contributions to our Ad Fund to maintain and upgrade those parts of our Website that do not advertise the availability of Wingstop franchises. [§9 of the FA]

Computer Hardware and Software. The Franchise Agreement obligates you to install an electronic information system equipped and configured to our specifications. [§§5(d) and 7(c)(1) of the FA] The system includes an electronic cash register, a modem-equipped PC with Internet access capability, and other peripheral hardware and software not yet determined but which may be designated at a later time as technology needs arise. Your system must be configured to enable you to record and store financial information in the way we specify and enable us to communicate directly with your system. We have unlimited, independent access to all information on the system. We currently require you to purchase an approved point-of-sale cash register system. The two available options are Micros and MicroSale. We also require you to use a Wingstop-specific menu program package. No other computers are required. The electronic information system’s initial cost is approximately \$11,000 to \$18,000. You must pay third parties for all required maintenance, substitutions, and upgrades, including any POS system we determine you must use. Neither we nor any affiliate has any obligation to provide ongoing maintenance, repairs, upgrades, or updates. The Micros system includes the first year of hardware and software support. After the first year, the annual cost for Micros support is approximately \$3,000. The MicroSale system’s initial purchase price includes the first year of software support and the first 3 years of hardware support. After the first year, the annual cost of software support is \$600. We poll our franchisees’ cash registers regularly, and you must allow us to maintain continual access to your cash register via high speed internet. The system tracks your sales. [§7(c)(22) of the FA]

We reserve the right and discretion to modify the equipment standards to require new or different electronic data processing and communications equipment and facilities, and you must update or upgrade your computer and other electronic equipment at our request. [§5(d) of the FA] If we adopt changes to the equipment standards necessitating upgraded equipment or the removal of obsolete equipment, we will establish a schedule for you to implement the change. [§5(a) of the FA] There is no limit on the frequency and cost to bring the equipment to the level of compliance with the modified equipment standards. However, the costs will be taken into consideration when establishing the schedule for the change. You must sign our privacy policy and terms of use for all software applications we designate, which allows you to access our Intranet system for Restaurants. Terms of use may include, among other things, (i) confidentiality requirements for materials transmitted through the intranet system, (ii) password and other security protections, (iii) procedures for suspending or revoking access to the system, and (iv) a privacy policy governing access to and use of electronic communications posted on electronic bulletin boards. We may access and view all communications posted on or transmitted via the intranet system. You must pay a fee for our maintenance and hosting costs. (See Item 6)

Website. We may permit you to establish an Internet Website subject to certain requirements, including prior written approval of domain names, home page addresses, Website pages, materials and content, and hyperlinks and other links, and restrictions on using certain materials (including text, video clips, photographs, images. and sound bits).

Site Selection. You should seek local broker assistance in locating acceptable sites. We may give you helpful reference guidelines designed strictly for informational use and reference. Restaurant sites must be located inside the development area described in your Development Agreement. After you provide us written information about each potential location, we will evaluate that information and tell you which of them we favor or particularly disfavor. Our review process may involve a physical site inspection. We will not take an unreasonable amount of time to review your site selections. However, we are not obligated to respond within a specified time. We will not unreasonably withhold our approval of a site but can reject one we consider inappropriate. Although we reserve the right to accept or reject a Restaurant's location, we will not select or designate a site for a Restaurant. Consequently, you must actively participate in the entire site selection process. You have sole risk for your location's business and financial suitability.

Factors we consider in evaluating the suitability of proposed Restaurant sites include (1) a site's visibility from adjacent traffic arteries, (2) ease of entry from and exit to adjacent streets, (3) traffic patterns on adjacent arteries, (4) the size, density, and income levels of the population in the surrounding area, (5) the rental market in the area, and (6) the projected cost of leasehold improvements. The Restaurant concept works best in a shopping center; we discourage our franchisees from selecting free-standing locations. If we and you do not agree on a site, you must continue looking for a site that we will approve and pay attention to the deadlines in your Development Agreement because you have certain opening deadlines. If you continually fail to find an acceptable site, the Development Agreement will be terminated. We do not sign the Franchise Agreement until you find and secure an acceptable site.

The Development Agreement requires you to complete your development obligations by the Option Expiration Date we insert on the Development Agreement's signature page before you sign it. If you cannot complete your obligations by that date, you can extend the Option Expiration Date one time for 45 days. If you commit to develop more than one Restaurant in your Development Agreement, you (and your controlled affiliates) must sign a lease and open your Restaurants on or before the dates we specify in Exhibit B to your Development Agreement. We discuss with you the dates by which Restaurants after the first one must open before we fill in the dates on Exhibit B to the Development Agreement. If you cannot find an acceptable site, you will lose the development fee for that franchise.

We sign the Franchise Agreement only after you have signed your Restaurant's lease. The lease must have our required form of Lease Rider attached to it. The Franchise Agreement requires you to open your Restaurant on or before the Scheduled Opening Date we insert on the Franchise Agreement's signature page but contains no other time restrictions. We calculate the Scheduled Opening Date by estimating the time it should take you to finish out your Restaurant, usually 20 to 24 weeks from the time we sign the Franchise Agreement.

Typical Time Required. The length of time between execution of the Development Agreement and the opening of your first Restaurant typically is 12 to 14 months. Factors affecting this length of time include the selection, approval, and leasing of the Restaurant's site, time required to obtain necessary permits, construction or remodeling of the facility, local ordinance and/or building code compliance, installation of equipment and signs, completion of our training program, delivery and stocking of inventory, and delaying events arising from factors outside your control. [§7(c) of the DA. The signature pages of the Development Agreement and Franchise Agreement state the deadlines.]

ITEM 12 **TERRITORY**

Development Agreement Provisions. The boundaries of the area in which you may locate your Restaurant (called the "Development Area") depend on the population and other demographic features of

the locale in which you want to locate your Restaurant. Your Development Area may range from a sector of a large metropolitan area to the city or county limits of a smaller municipality.

To begin the process of defining your Development Area, you tell us the general vicinity in which you want to locate your Restaurant. If you are an experienced restaurant operator wanting to operate more than one Restaurant and satisfying our application requirements, including financial and experience standards for a multi-unit operator, we also discuss and jointly decide on the number of Restaurants you can develop under your Development Agreement. We then examine a map of the vicinity and ask you questions about the area's population and other demographic characteristics. Based on this information, we identify and describe the boundaries of an appropriately-sized area. This description appears in your Development Agreement as the area inside which you may locate your Restaurant (or Restaurants). The Development Agreement contains no provision permitting us to change during its term your Development Area's boundaries after they are established (unless you are in default). The Development Area in all cases excludes any and all Non-Traditional Venues physically located within the Development Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Development Area, you may not operate at such Non-Traditional Venues, and there are no restrictions at all on our activities in or at those Non-Traditional Venues, including our right to operate and grant others the right to engage in foodservice operations under the Marks at those Non-Traditional Venues. A "Non-Traditional Venue" means a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, or theater.

Whether your Development Agreement covers one or several Restaurants, it will contain a schedule of the dates by which you must open each Restaurant. The Development Agreement requires you to sign a separate Franchise Agreement for each Restaurant. The Development Agreement only governs your development rights; it grants no operating rights and is not the equivalent of a franchise for the Development Area. Your failure to adhere to the Development Agreement's development schedule (including any extension approvals you receive), or to adhere to any time period for developing a replacement Restaurant, will be an event of default under the Development Agreement.

While your Development Agreement remains in effect, and assuming you are not in default, we will not (with one exception) grant anyone else the right to develop or operate a Restaurant in your Development Area (again, there are no restrictions on us in or at Non-Traditional Venues physically located in the Development Area). The exception applies if you are a multi-Restaurant operator and transfer your franchise for an operating Restaurant to a new franchisee (with our written approval). In that case, we may allow the new franchisee to sign a Development Agreement for more Restaurants in the Development Area, to develop Special Outlets (defined below) in the Development Area, and to relocate a Restaurant inside the Development Area.

The competitive protection you enjoy under your Development Agreement relates to Restaurants (as defined in the Development Agreement). To a lesser extent, it also applies to Special Outlets, which we define as permanent, temporary or seasonal booths, kiosks, satellite units, express units, mini-stores, and similar installations operated under the Wingstop trade name. While your Development Agreement remains in effect, we will not grant anyone but you the right to develop or operate a Special Outlet in your Development Area, with one exception (besides what is noted in the previous paragraph). The exception relates to a Mall, which we define as an assembly of retail establishments housed in a structure that encloses more than 250,000 square feet of floor space (including common areas) under a single roof special venues. If the Mall's owner or manager wants to install a Special Outlet and sets financial, experience, or organizational standards for an acceptable operator that you do not meet at the time the opportunity arises, we are free to grant a franchise or license for a Special Outlet in that Mall to whoever

satisfies the owner's and manager's standards. In addition, because the Development Area in all cases excludes any and all Non-Traditional Venues physically located within the Development Area (see above), there are no restrictions on our activities in or at those Non-Traditional Venues.

Your competitive protection as a developer relates only to retail establishments operating under the Wingstop trade name (with the exceptions noted above); the Development Agreement imposes no restrictions on our right to operate or franchise establishments operating under different trade names or to offer our proprietary products and Wingstop memorabilia through department stores, supermarkets, similar establishments, and other distribution channels (including the Internet, catalogs, and telemarketing). We and our affiliates have the right to operate, franchise, license, and otherwise permit restaurants, other retail establishments, and any other distribution channel under trademarks and brand names other than the Wingstop trademark, whether located or operating inside or outside the Development Area, even if these restaurants, other retail establishments, and distribution channels offer and sell the same products and services your Restaurant(s) sell. Your competitive protection as a developer also does not prohibit or restrict us and our affiliates from engaging in any and all of the activities permitted under the Franchise Agreement. We need not compensate you for any of these activities.

If you default under your Development Agreement for any reason, we may eliminate your protected development rights in the Development Area (in which case we may develop and allow others to develop Restaurants in the Development Area); decrease the number of Restaurants to be developed under the development schedule; reduce the size of the Development Area; and/or terminate all of your rights under the Development Agreement, in all cases by giving you written notice of our election, which may or may not offer an opportunity to cure. We may choose the option or options we prefer.

After your Development Agreement expires or terminates, your right to develop Restaurants in the Development Area ends. We then may grant development rights and Restaurant franchises to others in the Development Area (that is, in the exclusive part from which we previously were excluded) and may open our own Restaurants there. This consequence follows even if you have completed your development obligations on time and in strict compliance with your Development Agreement. However, expiration or termination of your development rights does not affect the status of your franchise for any Restaurant you are operating when the Development Agreement expires or terminates. Section 10 of your Development Agreement gives you a conditional right to renew the right to develop more Restaurants in the Development Area with a new Development Agreement if you meet the following conditions: you opened all the Restaurants in the original Development Agreement in compliance with the schedule; you were not in default of the Development Agreement; you are operating all your Restaurants in full compliance with their Franchise Agreements; you financially qualify to develop the number of Restaurants proposed; you notify us of your request to renew at least 60 days before the Lease Execution Date of the last Restaurant in your original Development Agreement; and you sign the new Development Agreement at least 20 days after we send it to you and pay us the new development fee.

See discussion below regarding our affiliated franchise programs.

Franchise Agreement Provisions. The Franchise Agreement provides you competitive protection in a Trade Area around your Restaurant. We will not open or grant a franchise for another Restaurant (as defined in the Franchise Agreement) the physical premises of which are located in the Trade Area. Except in high-density population centers, a Restaurant's Trade Area consists of the area inside a circle whose center lies at the Restaurant's front door and whose radius extends outward from the circle's center. The radius for your Restaurant depends on your market area, including population density, drive times, and similar factors. There is no set minimum or maximum radius. However, we do not anticipate (as a general rule) that the radius will ever be greater than 2 miles from the Restaurant or, if the

Restaurant is located in the downtown area of a major city, less than 2 blocks. Your Restaurant's specific radius will be somewhere in that range depending on your specific market and circumstances. However, if you operate in a Non-Traditional Venue (if you are a franchisee with access to that type of location), your Trade Area might be limited to the physical footprint of the specific site/premises. A Restaurant's Trade Area might not always be completely inside the Development Area we assign in the Development Agreement. In all cases, a franchisee's Trade Area will be deemed to exclude any and all Non-Traditional Venues physically located within the Trade Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Trade Area and there are no restrictions at all on our activities in or at those Non-Traditional Venues, including our right to operate and grant others the right to engage in foodservice operations under the Marks at such Non-Traditional Venues. In addition, the Franchise Agreement provides you no competitive protection at all from Wingstop-brand competitors located outside the physical boundary of your Restaurant's Trade Area, whether or not these competitors market Wingstop brand products and services in, provide catering or delivery service in, or draw customers from your Trade Area using any channel of distribution. You have only the location exclusivity described above (although there is an exception described below). This means that you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

A Restaurant's Trade Area is not the equivalent of a franchised territory in which you may operate multiple units. The Franchise Agreement does not allow you to open more than one Restaurant in your Trade Area or to relocate your Restaurant within your Trade Area without our permission. The Franchise Agreement grants you the right to operate one Restaurant at a specific location found and secured in compliance with the terms of our Development Agreement described above. Whether or not we would allow relocation depends on the circumstances at the time and what is in the Restaurant's and our system's best interests.

The competitive protection the Franchise Agreement provides relates to competing Restaurants (but not operations at Non-Traditional Venues). To a lesser extent, it also applies to certain Special Outlets. As under the Development Agreement, if the owner or manager of a site in the Trade Area wants to install a Special Outlet and sets financial, experience, or organizational standards for an acceptable operator that you do not meet when the opportunity arises, we are free to grant a franchise or license for a Special Outlet to whoever satisfies the owner's or manager's standards.

If any other opportunity to develop a Special Outlet in your Restaurant's Trade Area arises, we first will ask whether you want to pursue it. If you do, we will evaluate your qualifications, taking into account your financial strength, management and organizational capabilities, prior performance as a Wingstop franchisee, and other factors we consider relevant. If we decide that you are qualified to develop and operate the Special Outlet, we will authorize you to pursue the opportunity. If we decide that you are not qualified, we are free to grant a franchise or license for a Special Outlet to whoever we believe satisfies our standards. In deciding qualification questions, we will use our reasonable business judgment, focusing on the best interests of the entire Wingstop network considered as a whole.

The Franchise Agreement expressly permits us and our affiliates to operate, franchise, license, and otherwise permit restaurants, other retail establishments, and any other distribution channel under trademarks and brand names other than the Wingstop trademark, whether located or operating inside or outside the Trade Area, even if these restaurants, other retail establishments, and distribution channels offer and sell the same products and services your Restaurant sells.

The Franchise Agreement expressly permits us and our affiliates to market our proprietary products and memorabilia into your Restaurant's Trade Area through catalogues, Internet Web sites, telemarketing campaigns, and other direct-order techniques. The Franchise Agreement also expressly

permits us and our affiliates to distribute our proprietary products and memorabilia to business customers that are not affiliated with the Wingstop franchise system. These non-affiliated customers may operate inside your Restaurant's Trade Area; there are no geographic limitations on the territory in which we or our affiliates may distribute proprietary products or memorabilia to non-affiliated customers. Further, non-affiliated customers may engage in direct competition with your Restaurant; there are no restrictions on the type of merchandise or services a non-affiliated customer may offer. We need not compensate you for any of these activities.

Continuation of the competitive protection the Franchise Agreement provides for your Restaurant's Trade Area does not depend on your achieving or satisfying contingencies such as sales volumes, market penetration, or other goals.

You may alter the boundaries of your Restaurant's Trade Area or relocate your Restaurant only with our written permission. The Franchise Agreement permits you to relocate your franchise only in certain circumstances. If we allow relocation, you generally may relocate your Restaurant only within the vicinity of its original Trade Area, and the new location may not infringe upon another Restaurant's trade area. If your lease expires or the premises are condemned, you must re-open in the new location within 60 days after your Restaurant closes. If you suffer a closing on account of a fire or other casualty, you must re-open in the new location within 120 days after the casualty occurs. We may not alter the boundaries of your Restaurant's Trade Area during the franchise's primary term.

You may advertise your Restaurant outside of its Trade Area but may not without our prior written consent sell products through any distribution channel (such as the Internet, catalogs, telemarketing, or other direct marketing) other than at your Restaurant. You may offer catering service from your Restaurant, which we define as the delivery of bulk or prepackaged items to commercial accounts (with no set-up, food service, or clean-up services). You may not offer delivery service from your Restaurant unless and until we design a delivery program, describe its standards in the Operations Manual, and assign you a delivery zone (which may be smaller than your Restaurant's Trade Area). We define delivery service as the delivery of bulk or prepackaged items to residential customers (again, with no set-up, food service, or clean-up services).

The Franchise Agreement grants you no options, rights of first refusal, or similar rights to acquire additional franchises within or contiguous to your Restaurant's Trade Area. The Development Agreement alone embodies additional development and franchise acquisition rights.

We set no minimum sales quota and do not revise any of your rights if the population increases in your Development Area or Trade Area.

You may compete with the restaurants/stores operated by our affiliates and franchisees of our affiliates that are located near your Wingstop Restaurant, whether inside or outside your Trade Area. Item 1 describes our current affiliated franchise programs, most of which are not direct competitors of the Wingstop system given the products/services they sell. There likely will be new affiliated franchise programs in the future. The current affiliated franchise programs operate from separate principal business addresses and have separate training facilities. There is no formal mechanism in place for resolving any conflict that may arise between your Wingstop Restaurant and the units of our affiliated franchise systems. However, given the diverse nature of their products/services and the fact that they are independently-operated systems in different industries, we do not expect any material conflicts regarding territory, customers, and franchisor support.

**ITEM 13
TRADEMARKS**

The following table identifies the principal trademarks and service marks we own and license you to use:

Description	Registration Number	Registration Date	Affidavits of Use and Incontestability Filed?	Renewed?
WING-STOP® (block letters)	2,121,699	December 16, 1997	Yes	Yes
Wing-Stop – The Wing Experts And Design (shown on cover page of this disclosure document)	2,422,672	January 23, 2001	Yes	Yes
WINGSTOP (block letters)	3,054,484	January 31, 2006	Yes	Not Due
THE WING EXPERTS (block letters)	3,087,485	May 2, 2006	Yes	Not Due
THE BONELESS WING EXPERTS (block letters)	3,185,734	December 19, 2006	Not Due	Not Due

All of the marks cover restaurant services and are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). The WING-STOP®, Wing-Stop–The Wing Experts, WINGSTOP, and THE WING EXPERTS marks now are incontestable under federal trademark law.

No agreement limits our right to use or license the use of our marks. The Franchise Agreement contains several restrictions on your right to use the marks. You may not use them to sell or distribute any goods or services we have not approved or as part of your company’s name. You must use the marks only in the precise form we prescribe. You must stop using any mark that we determine is obsolete or does not represent the image we want to project.

You must report to us any infringing uses of the marks of which you become aware. We reserve the right to make the final decision to pursue infringement actions or other litigation, to conduct all legal proceedings relating to the marks, and to settle all infringement claims. Although not contractually obligated to protect our marks or your right to use them, as a matter of corporate policy we defend our marks vigorously. We have no obligation to defend you in infringement actions or to indemnify you if you are forced to change or abandon your use of a mark because we lose an infringement action. Section 5 of the Franchise Agreement obligates you to conform to changes we adopt for the Wingstop system, concept or image, either voluntarily or as a result of our losing an infringement action.

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

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

We claim common law copyrights in our Operations Manual, promotional literature, design elements of our marks, trade dress, blueprints for Restaurant building and layout, advertising, and design and copy appearing on our website or transmitted electronically over an intranet system related to our franchise program. (See Item 11 for limitations on your use of the Operations Manual.) We own no patents, patent applications, or other copyrights that are material to our franchisees.

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of copyrighted materials in any state.

The Operations Manual remains our sole property and must be kept in a secure place on the Restaurant's premises. We may revise the Operations Manual's contents, and you must comply with each new or changed standard. You must keep the Operations Manual current at all times. We claim trade secret protection in all of our confidential information, which includes any and all information, know-how, techniques, and materials used in or related to the System that we provide to you. You and your management and other personnel who receive or will have access to any confidential information, whether under the Development Agreement or Franchise Agreement, must sign non-disclosure agreements if not a party to or guarantor of the Development Agreement or Franchise Agreement.

The Franchise Agreement's Glossary contains a definition of "trade secrets." Trade secrets mean the components of our business system, the contents of the Operations Manual and all memoranda and bulletins through which we convey changes in our Operations Manual, all training materials and computer programs we develop, and all confidential information we impart to you with respect to your Restaurant's operation and management. Our trade secrets include the procedures for preparing and cooking chicken wings, the recipes for our side dishes, and other operating procedures. We do not disclose recipes for our proprietary sauces and seasonings to you; we disclose those recipes to others with a need to know only upon receipt of a confidentiality agreement or as required by government authorities.

If you develop or suggest an innovation or improvement that we incorporate into our system, you must assign ownership of that innovation or improvement to us without compensation within 90 days.

We are not aware of any current infringing uses of any of our copyrights or trade secrets. Our right to use or license copyrighted materials and trade secrets is not limited by any agreement.

You must notify us if you become aware of infringements on the use of our Operations Manual or trade secrets. You have the same obligations and restrictions on using the copyrighted materials as those applying to your use of our marks. The same provisions regarding infringement of our marks apply to our copyrighted materials and trade secrets. (See Item 13)

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

If you are an individual, we strongly recommend (but do not require) that you manage your Restaurant personally. If you choose not to manage your Restaurant, you must appoint an individual, called a General Manager, to assume personal responsibility for supervising the Restaurant's day-to-day operations and another individual, called an Assistant Manager, to assist in managing the Restaurant. If you will personally manage your Restaurant, you and your General Manager must complete our training program before you open your Restaurant, and you must ensure that each General Manager of each of your Restaurants also completes the training program. If you are not involved on a full-time basis (minimum 40 hours per week) with the Restaurant's day-to-day operations, then your General Manager and an Assistant Manager must complete our training program before the Restaurant opens. We do not require that General Managers or other employees own an equity position in your business.

If you are a business entity, you must select a "Designated Principal," who is one of your owners who will oversee and supervise your Restaurant's management and operation. You also may appoint a General Manager with no equity interest as the senior manager. All your General Managers (as well as Restaurant Managers, supervisors, or any other person with access to our confidential materials) must sign confidentiality agreements with you under which they agree to hold our trade secrets and the contents of our Operations Manual in strict confidence.

If you are a business entity, each person owning 5% or more of your equity (called a "controlling principal") must agree to be bound by all provisions of the Franchise Agreement, including monetary obligations and obligations relating to confidential treatment of our trade secrets and non-competition, by signing our Guaranty and Acknowledgment (at the end of the Franchise Agreement). These requirements apply even if that controlling principal is not involved in your Restaurant's management. All of the business entity's owners who do not have a 5% or more ownership interest need not sign our Guaranty but must agree to our confidentiality requirements if they have access to our trade secrets and other confidential information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement obligates you to sell fried chicken wings made with our proprietary sauces and seasonings and not to use any other sauces or seasonings. The Franchise Agreement also requires you to sell all food and beverage items included on our standard menu in the quantities listed, as periodically revised (although we will not specify the brands of any alcoholic beverages for the Restaurant to sell). You may not offer any foods, beverages, or other merchandise that is not included on our authorized Restaurant menu or merchandise list, as periodically revised, without first obtaining our written consent. We impose these requirements to control the quality and uniformity of the goods and services you and other franchisees offer using our trade name and trademarks.

A Wingstop franchise relates to the retail operation of a single Restaurant at a specific location. Without our prior written permission, you may not distribute at wholesale any of our proprietary or branded products (including Wingstop brand sauces and seasonings) or sell any raw, processed, or prepackaged ingredients from which any proprietary or branded product is made. Also, you may not provide delivery service, as defined in the Glossary to the Franchise Agreement, outside your Restaurant's delivery zone. While we do not currently allow retail delivery, we reserve the right to restrict and define areas to which you can deliver. Although there are no restrictions on the retail

customers or trade area you may serve from your Restaurant, as a practical matter you will be limited to serving customers who choose to visit the Restaurant. (See Item 12)

We have the right to add items to and delete items from the standard Restaurant menu and to add or delete memorabilia and other merchandise from the list of approved Restaurant merchandise. There are no limits on our right to make these changes.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

FRANCHISE AGREEMENT

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	11(a) of Franchise Agreement	Term is 10 years (or balance of seller's term if a transfer is involved).
b. Renewal or extension of the term	11(b) of Franchise Agreement and 8 of Renewal Rider	<p>If you are in full compliance, you can renew your first franchise for an additional 10 years.</p> <p>If you are renewing your existing franchise because it soon will expire, there is no second renewal term unless you acquire an option for a second renewal term when you sign the Franchise Agreement for the first renewal term (see Item 6). You still must satisfy our typical requirements (see (c) below) to renew for the second renewal term</p>
c. Requirements for franchisee to renew or extend	11(b) - (f) of Franchise Agreement	<p>You must give timely notice of your intent to renew, sign a current franchise agreement and release (if state franchise law allows), remodel to our new specifications, and pay a renewal fee (see Item 6).</p> <p>Terms of our new franchise agreement that you sign for renewal franchise (whether a first or second renewal) may differ materially from any and all of those contained in Franchise Agreement attached to this disclosure document.</p>

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	Not Applicable	The Franchise Agreement does not contain this provision.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not contain this provision.
f. Termination by franchisor with cause	16 of Franchise Agreement	We can terminate the franchise only if you default.
g. "Cause" defined – curable defaults	16(b) of Franchise Agreement	You have 5, 10, 15, or 30 days to cure, depending on the type of default (defaults covered include failure to construct and open Restaurant as required; payment defaults with third party vendors; failure to correct operating deficiency; failure to submit financial statements and tax returns; improper use of marks or copyrighted materials; engaging in prohibited product sales; failure to maintain required insurance; failure to employ qualified manager; failure to pay us monies when due; and failure to observe transfer restrictions) (state franchise law might require longer cure periods).

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined – non-curable defaults	16(c) of Franchise Agreement	<ul style="list-style-type: none"> * breach of non-competition covenant or confidentiality restrictions * unauthorized transfer or abandonment * refusal to allow QSC inspection * disabling or tampering with the Restaurant's cash register or computer or with our ability to poll these devices by modem * refusal to participate in audit or lacking adequate business records to conduct audit * knowingly maintaining false books or records * repeated defaults * we send notice of termination under any other franchise agreement to which you, your controlling principal, or a business entity owned by your controlling principal is a party * revoking the automatic debit agreement under which we collect royalties and other amounts or closing the account from which we collect royalties and other amounts without first setting up a new account * bankruptcy, insolvency, or unsatisfied judgment of more than \$5,000
i. Franchisee's obligations on termination/non-renewal	17(a)-(j) of Franchise Agreement ¹	<p>Obligations include:</p> <ul style="list-style-type: none"> * de-identification * payment of all sums due * assignment of phone numbers * payment of damages * honor our purchase option <p>Also see (o) and (r) below</p>
j. Assignment of contract by franchisor	13 of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee – defined	13(a) of Franchise Agreement ¹	Includes any transfer of franchise, the Restaurant or its assets, or a controlling ownership interest in you.
l. Franchisor approval of transfer by franchisee	13(b)-(f) of Franchise Agreement ¹	We have the right to approve all transfers covered in (k). We have the right to investigate all proposed buyers.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	13(b), (c), (d), and (f) of Franchise Agreement	<ul style="list-style-type: none"> * You must comply with right of first refusal procedures * You must give us financial statements and other relevant records * You must be in full compliance with the Franchise Agreement * You must sell your complete interest in the franchise * Your buyer must qualify as a new franchisee, pay the transfer fee, sign our current franchise agreement, and complete training * We must be satisfied with the transaction's financial aspects and receive certain releases (if allowed by state franchise law) * Your buyer must provide proof of financing * The buyer's owners sign a guaranty * You return confidential information and copyrighted materials <p>Guarantors (your general partners or holders of 5% or more of your voting equity interests) also are bound by these provisions. They become bound by signing the Guaranty and Acknowledgment attached to the Franchise Agreement.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	13(g) and 13(h)(3) of Franchise Agreement	<p>We have at least 30 days to match offers for franchise, Restaurant, and any ownership interest in you and additional 45 days to close the transaction; also applies if you die or become disabled under certain circumstances.</p> <p>Guarantors also are bound by these provisions.</p>
o. Franchisor's option to purchase franchisee's business	17(j) of Franchise Agreement	<p>We may buy Restaurant's assets and take over premises after franchise expires or is terminated.</p>

Provision	Section in franchise or other agreement	Summary
p. Death or disability of franchisee	13(h) of Franchise Agreement	<p>Management personnel evaluated for 120 days. If approved, new owners must sign a new guarantee. If not approved, new owners must present a qualified buyer within 120 days.</p> <p>Guarantors also are bound by these provisions.</p>
q. Non-competition covenants during the term of the franchise	19 of Franchise Agreement	<p>You must have no involvement in a competing business anywhere. Competing business means quick-service food business serving chicken pieces, chicken strips, or chicken wings as a primary menu item. "Primary" means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.</p> <p>Guarantors also are bound by these provisions.</p>
r. Non-competition covenants after the franchise is terminated or expires	19 of Franchise Agreement	<p>For two years after the franchise ends, you must have no involvement in a competing business in your DMA or in any other DMA where a Restaurant exists or is under development.</p> <p>Guarantors also are bound by these provisions.</p>
s. Modification of the agreement	26(b) of Franchise Agreement	<p>No modifications without a written agreement, but we may change Operations Manual and standards, specifications, and operating procedures.</p>
t. Integration/merger clause	27(a) of Franchise Agreement	<p>Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.</p>
u. Dispute resolution by arbitration or mediation	24 of Franchise Agreement	<p>We and you must arbitrate most disputes at location near our then current principal business address (currently Dallas, Texas); we need not arbitrate disputes involving our intellectual property.</p> <p>Guarantors also are bound by these provisions.</p>

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	24 of Franchise Agreement	Subject to arbitration obligation, litigation generally must be in courts located closest to our then current principal business address (currently Dallas, Texas). This requirement may not be enforceable in some states and therefore is subject to applicable state franchise law. Guarantors also are bound by these provisions.
w. Choice of law	24 of Franchise Agreement	Texas law applies, except for U.S. Arbitration Act and other federal law. This requirement may not be enforceable in some states and therefore is subject to applicable state franchise law. Guarantors also are bound by these provisions.

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

DEVELOPMENT AGREEMENT

Provision	Section in development or other agreement	Summary
a. Length of Development Agreement term	2 of Development Agreement	Term is based on time required to open the number of Restaurants you agree to develop under the development schedule.
b. (i) Extension of Option Expiration Date	4 of Development Agreement	One 45-day extension if we confirm you used due diligence.
(ii) Extension of Lease Execution Date and Scheduled Opening Date	7 of Development Agreement	One 45-day extension if lease not signed or for reasons of force majeure (unavoidable delay).
(iii) Extension or renewal of the development term	10 of Development Agreement	Applies if you agree to develop more than one Restaurant.

Provision	Section in development or other agreement	Summary
c. Requirements for developer to renew or extend	10(b) and (c) of Development Agreement	<p>You must be in full compliance with Development Agreement and Franchise Agreements, meet financial criteria, and sign a new development agreement and release (if state franchise law allows).</p> <p>Terms of our new development agreement that you sign may differ materially from any and all of those contained in Development Agreement attached to this disclosure document</p>
d. Termination by developer	Not Applicable	Development Agreement does not contain this provision.
e. Termination by franchisor without cause	Not Applicable	Development Agreement does not contain this provision.
f. Termination by franchisor with cause	11 of Development Agreement	We can terminate your protected development rights if you default.
g. "Cause" defined – curable defaults	Not Applicable	Development Agreement does not contain this provision.

Provision	Section in development or other agreement	Summary
h. “Cause” defined – non-curable defaults	11 of Development Agreement	<ul style="list-style-type: none"> * you fail to sign approved lease in time * you sign an unapproved lease * you fail to open any Restaurant by Scheduled Opening Date * you fail to meet development schedule * you fail to timely cure an Event of Default under a Franchise Agreement * you attempt to make an unapproved assignment of development or franchise rights * you negotiate or sign a lease/option to lease outside your development area * you offer, issue, or transfer any securities of Developer, become insolvent, or become involved in bankruptcy * you disclose or use without our approval Confidential Information or marks * you make any material misstatements or omissions * you are convicted of or plead no contest to a felony or other crime or offense that may adversely affect marks * you become a threat or danger to public health or safety
i. Developer’s obligations on termination/non-renewal	Not Applicable	Development Agreement does not contain this provision.
j. Assignment of contract by franchisor	Not Applicable	Development Agreement does not contain this provision.
k. “Transfer” by developer – defined	12 of Development Agreement	Includes transfer of Development Agreement, development rights, and controlling ownership interest.
l. Franchisor approval of transfer by developer	12 of Development Agreement	No transfer of Development Agreement rights or controlling ownership interest in you without our prior written consent.

Provision	Section in development or other agreement	Summary
m. Conditions for franchisor approval of transfer	12 of Development Agreement	Your development rights, or ownership interests in you, may be devised or inherited if heirs satisfy our then current standards for developers and receive our prior written approval. No other transfers of development rights or controlling ownership interest allowed.
n. Franchisor's right of first refusal to acquire developer's business	Not Applicable	Development Agreement does not contain this provision.
o. Franchisor's option to purchase developer's business	Not Applicable	Development Agreement does not contain this provision.
p. Death or disability of developer	12(c) of Development Agreement	See (m) above.
q. Non-competition covenants during the term of the Development Agreement	14(a) of Development Agreement	You may not have ownership interest in or perform services for any quick-service food business anywhere that serves chicken pieces, chicken strips, or chicken wings as a primary menu item. "Primary" means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.
r. Non-competition covenants after the Development Agreement is terminated or expires	14(b) of Development Agreement	Restrictions in (q) apply for 2 years in Development Area and each designated market area in which a company-owned or franchised Restaurant is then operating.
s. Modification of the agreement	16(b) of Development Agreement	No modifications without a written agreement.
t. Integration/merger clause	17(a) and (b) of Development Agreement	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.

Provision	Section in development or other agreement	Summary
u. Dispute resolution by arbitration or mediation	15(b) of Development Agreement	We and you must arbitrate most disputes at location near our then current principal business address (currently Dallas, Texas); we need not arbitrate disputes involving our intellectual property.
v. Choice of forum	15(c) of Development Agreement	Subject to arbitration obligation, litigation generally must be in courts located closest to our then current principal business address (currently Dallas, Texas). This requirement may not be enforceable in some states and therefore is subject to applicable state franchise law.
w. Choice of law	15(a) of Development Agreement	Texas law applies, except for U.S. Arbitration Act and other federal law. This requirement may not be enforceable in some states and therefore is subject to applicable state franchise law.

ITEM 18
PUBLIC FIGURES

Troy Aikman, former quarterback for the Dallas Cowboys and current National Football League sports broadcaster, is a spokesman on the consumer-marketing level for the products sold by Wingstop Restaurants, and his picture and “voice-overs” are likely to appear in our advertising, on our website, and elsewhere. As a prospective franchisee, you might see or hear Troy Aikman because of this type of involvement in our consumer marketing. Mr. Aikman also is a member of our parent company’s Board of Directors and, in that capacity, has input into the Wingstop system’s overall corporate strategy. However, Mr. Aikman does not have a controlling position in the Wingstop system’s management structure and is not involved in our operations or day-to-day business activities. He does not appear in the franchise name or symbol. As a member of our parent company’s Board of Directors, Mr. Aikman is expected to promote the Wingstop brand even apart from his consumer marketing activities. It is likely that those other promotion activities will include endorsement or recommendation of our franchise to prospective franchisees. However, Mr. Aikman currently receives no compensation or other benefit from the Wingstop system for any activity other than his Board of Directors participation and product consumer-marketing. Mr. Aikman has no direct investment in us; he has only a stock investment in our parent company. Except as described 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.

Net Sales Information for Certain Franchised Wingstop Restaurants and Net Sales and Other Operating Information for Certain Company-Owned WINGSTOP® Restaurants

This financial performance representation contains (1) actual 2011 average annual net sales information for all Wingstop Restaurants (both franchised and owned by us), and separately for all franchised Wingstop Restaurants, in operation in the United States during the entire 2011 fiscal year (Section I), (2) information regarding the actual net sales and certain other operating results of the Wingstop Restaurants we own and operate that were continuously open at the same location for at least 5 years as of the end of 2011 (21 of 24 Restaurants total) and for less than 5 years as of the end of 2011 (3 of 24 Restaurants total) (Section II), and (3) actual partial operating financial statements for 2 groups of our Restaurants on an average (per Restaurant) basis (Section III).

Section I

Actual 2011 Average Annual Net Sales for All Wingstop Restaurants and (Separately) for All Franchised Wingstop Restaurants in Operation during the Entire 2011 Fiscal Year

The actual 2011 average annual net sales (defined below) for all Wingstop Restaurants in the system in the United States that were open for operation during the entire period from December 26, 2010 through December 31, 2011 (the "2011 Fiscal Year"), including both franchised and our own Restaurants, were \$808,243.¹ We define net sales as gross receipts net of (that is, after deducting amounts for) sales tax, coupons/promotions, and voids. The average includes all Restaurants that were open during the entire 2011 Fiscal Year, even if their ownership changed during that time period.²

The total number of Restaurants included in this average was 456 (24 we owned and 432 franchised). The number of franchised Restaurants open for operation during the entire 2011 Fiscal Year whose actual 2011 net sales exceeded the \$808,243 average totaled 165 (38%). The number of our own 24 Restaurants open for operation during the entire 2011 Fiscal Year whose actual 2011 net sales exceeded the \$808,243 average totaled 18 (75%).

¹ Average annual net sales are calculated by dividing total sales during the 2011 Fiscal Year for all Restaurants in the system that were open for operation during the entire 2011 Fiscal Year by the number of Restaurants that were open for operation during the entire 2011 Fiscal Year.

² We are using the December 26, 2010 through December 31, 2011 time period because December 31, 2011 is the date on which we ended our 2011 fiscal year. Our 2011 fiscal year contained 53 weeks.

We obtained the net sales information for franchised Restaurants from weekly royalty reports submitted by franchisees and information polled from POS systems in the Restaurants. We have not independently audited that information. The franchised Restaurants that were open for operation during the entire 2011 Fiscal Year and whose average net sales are reported above are substantially similar to the Restaurant franchises we currently offer. The actual 2011 average annual net sales for the 432 franchised Wingstop Restaurants open for operation during the entire 2011 Fiscal Year were \$799,553. The number of franchised Restaurants open for operation during the entire 2011 Fiscal Year whose actual 2011 net sales exceeded this \$799,553 franchised Restaurant average totaled 171 (40%).

The actual average annual net sales numbers reported above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the net sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Wingstop Restaurant. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

The actual net sales volumes of Wingstop Restaurants vary widely. Our experience indicates that there are numerous factors affecting the sales of a particular Wingstop Restaurant, including: traffic count; accessibility and visibility of a site; the local marketplace and competition; general economic conditions; the franchisee’s management skill, experience, business acumen, and ability to promote and market Wingstop Restaurants effectively in the local market; and the degree of adherence to our methods and procedures in operating the Restaurant.

Section II

Annual Net Sales Ranges and Averages, and Certain Cost Information, for Our Own Wingstop Restaurants that were open all of 2011 and did not relocate in 2011

Chart A1 below relates to the annual net sales range and average for the 2011 Fiscal Year of the 21 Wingstop Restaurants we owned and operated in 2011 that have been open continuously at the same location since January 1, 2007.³ Fourteen of these Restaurants operated in Texas, 4 operated in Nevada, and 3 operated in Arizona. The actual annual net sales for these 21 Restaurants during the 2011 Fiscal Year ranged from a low of \$697,508 to a high of \$1,952,097, with an average of \$993,986.

CHART A1

Net Sales for 53-Week Period Ended December 31, 2011				
Sales for Our Own Restaurants Open at Least 5 Years	Low	High	Average	No./% Units Above Avg.
Wingstop Restaurants –Annual Net Sales (\$)	697,508	1,952,097	993,986	9/43%

³ As noted in footnote 2, we are using the 53-week period from December 26, 2010 through December 31, 2011 in this Section II because December 31, 2011 is the date on which we ended our 2011 fiscal year.

Chart A2 below relates to the annual net sales range and average for the 2011 Fiscal Year of the 3 Wingstop Restaurants we owned and operated that opened after January 1, 2007 and before January 1, 2012. Two of these units operated in Arizona and 1 operated in Texas. The actual annual net sales for these 3 Restaurants during the 2011 Fiscal Year ranged from a low of \$584,703 to a high of \$861,326, with an average of \$759,287.

CHART A2

Net Sales for 53-Week Period Ended December 31, 2011				
Sales for Our Own Restaurants Open less than 5 years	Low	High	Average	No./% Units Above Avg.
Wingstop Restaurants –Annual Net Sales (\$)	584,703	861,326	759,287	2/67%

Chart B1 below relates to the annual cost of goods sold as a percentage of net sales, annual labor costs as a percentage of net sales, and annual net profit as a percentage of net sales for the 2011 Fiscal Year of the 21 Wingstop Restaurants we owned and continuously operated at the same location that opened before January 1, 2007. Cost of goods sold is defined as all paper, produce, food, beverages, and sides that are bought to make up the products sold in a Wingstop Restaurant. Labor is the actual labor cost of all personnel in that Restaurant; however, it does not take into account any draws paid to the owner or owner’s salary. Net profit is net sales less cost of goods sold and less all expenses incurred, but excluding depreciation, debt service, amortization, income taxes, royalties, charitable donations, travel, administrative salaries, and draws to the owner.

CHART B1

Operated Restaurants opened before January 1, 2007

Percentages for 53-Week Period Ended December 31, 2011				
	Low	High	Average	No./% Units Above Avg.
Wingstop Restaurants – Cost of Goods Sold %	32.2%	35.3%	33.6%	11/52%
Wingstop Restaurants – Labor %	20.0%	31.7%	25.7%	12/57%
Wingstop Restaurants –Net Profit %	12.9%	33.3%	23.4%	8/38%

Chart B2 below relates to the annual cost of goods sold as a percentage of net sales, annual labor costs as a percentage of net sales, and annual net profit as a percentage of net sales for the 2011 Fiscal Year of the 3 WINGSTOP® Restaurants we owned and operated that opened after January 1, 2007 and before January 1, 2012. Cost of goods sold is defined as all paper, produce, food, beverages, and sides that are bought to make up the products sold in a Wingstop Restaurant. Labor is the actual labor cost of all personnel in that Restaurant; however, it does not take into account any draws paid to the owner or owner’s salary. Net profit is net sales less cost of goods sold and less all expenses incurred, but excluding

depreciation, debt service, amortization, income taxes, royalties, charitable donations, travel, administrative salaries, and draws to the owner.

CHART B2

Operated Restaurants opened after January 1, 2007 and before January 1, 2012

Percentages for 53-Week Period Ended December 31, 2011				
	Low	High	Average	No./% Units Above Avg.
Wingstop Restaurants – Cost of Goods Sold %	33.0%	35.6%	34.1%	1/33%
Wingstop Restaurants – Labor %	24.8%	33.0%	27.9%	1/33%
Wingstop Restaurants – Net Profit %	7.9%	21.6%	16.3%	2/67%

The figures in Charts A1, A2, B1, and B2 are based upon sales and expense reports we prepared. Because they are in a core market for our brand, the net sales and expenses of our 14 Restaurants in Texas included in this financial performance representation likely are positively impacted by our brand's strong consumer name recognition and goodwill. Our other 7 Restaurants included in this financial performance representation—4 in Arizona and 3 in Nevada—are considered outside of our brand's core markets and therefore do not receive the same benefits of our brand's strong consumer name recognition and goodwill. While we believe that Wingstop Restaurants will have consumer appeal in all geographic areas of the United States, the Wingstop Restaurant concept has had limited operating history outside of its core markets. A breakdown summary for each of these 24 Restaurants is available upon request.

Section III

Statement of Net Sales, Expenses, and Cash Flows for Two Groups of Wingstop Restaurants We Owned and Operated

This section relates to the actual and/or adjusted operating financial results of two groups of Wingstop Restaurants we owned and operated. While these specific restaurant figures have not been audited, they are included in total company-owned restaurant figures which have been subjected to audit procedures at a consolidated level. The statements have been adjusted for presentation purposes.

The following presentation is intended to assist you in understanding the expense and cash flow experience from the operation of a Wingstop Restaurant with above-average net sales. The cash flows shown in the statements are before: draws for the owner, financing cost, amortization and depreciation, income taxes, charitable donations, travel, and administrative salaries.

The actual net sales volumes of Wingstop Restaurants vary widely. Our and our franchisees' experience indicates that there are numerous factors affecting the sales of a particular Wingstop Restaurant, including: traffic count; accessibility and visibility of a site; the local marketplace and competition; general economic conditions; the franchisee's management skill, experience, business acumen, and ability to promote and market Wingstop Restaurants effectively in the local market; and the degree of adherence to our methods and procedures in operating the Restaurant.

As with net sales, the actual costs of operating a Wingstop Restaurant vary on a unit-by-unit basis. While the chief operating costs, for example, cost of goods sold, labor costs (employee wages, workers' compensation, and insurance) and leasehold expenses, should operate within certain ranges, even these factors can vary depending upon the specific market and location. Chicken wings and other chicken products are the principal food items sold by Wingstop restaurants. The availability of these products from independent suppliers throughout the United States and their wholesale cost are determined by market factors (including the supply needs of competitive businesses) over which we have little control. These supply chain issues will impact your operating costs and results during the franchise term.

Group 1 shows the average financial performance (on a per-Restaurant basis) for our 24 company-owned Restaurants in operation for the full 2011 Fiscal Year. Group 2 is a subset of Group 1 and shows the average financial performance (on a per-Restaurant basis) for 18 of our company-owned Restaurants in operation for the full 2011 Fiscal Year and having net sales in excess of the full system average of \$808,243.

We believe that the data in these statements are reliable. All material substantiating the data will be made available to you upon reasonable request.

Statement of Income and Cash Flows

Group 1 / Fiscal Year Ended December 31, 2011

Net Sales	\$964,648	100.0%
<u>Less Cost of Sales (Food & Paper)</u>	<u>\$324,418</u>	<u>33.6%</u>
Gross Profit	\$640,230	66.4%
Operating Expenses		
Total Labor (A)	\$249,596	25.9%
Total Other Operating Expenses	\$135,173	14.1%
Advertising	\$35,797	3.7%
<u>Royalties (B)</u>	<u>\$48,232</u>	<u>5.0%</u>
Operating Profit	\$170,432	17.7%

Statement of Income and Cash Flows

Group 2 / Fiscal Year Ended December 31, 2011

Net Sales	\$1,049,316	100.0%
<u>Less Cost of Sales (Food & Paper)</u>	<u>\$352,683</u>	<u>33.6%</u>
Gross Profit	\$696,633	66.4%
Operating Expenses		
Total Labor (A)	\$262,571	25.0%
Total Other Operating Expenses	\$139,115	13.3%
Advertising	\$37,799	3.6%
<u>Royalties (B)</u>	<u>\$52,466</u>	<u>5.0%</u>
Operating Profit	\$204,682	19.5%

NOTES:

- (A) Does not include owner's salary
- (B) Royalties were added to resemble a franchised Restaurant

Explanatory Notes

Items A, B, C, and D below describe expenses not appearing in the statements of income and cash flows. There were no other items or expenses that were modified or excluded by us in preparing the statements.

- (A) The statements include salaries for Restaurant employees but exclude salary or draw for the owner and administrative salaries.
- (B) The statements reflect a current continuing royalty of 5% and Advertising Fund fees of 2% of net sales. Local advertising or Advertising Co-op fees vary by Restaurant and are in addition to the national Advertising Fund. Because we owned and operated these Restaurants, no royalties were actually paid. This figure was inserted into the statements to resemble the cash flow of a franchised Restaurant. Our company-owned Restaurants do contribute to the Advertising Fund.
- (C) Depreciation of leasehold improvements and equipment. To the extent leasehold improvements (estimated in Item 7 of the Franchise Disclosure Document) are paid for and capitalized by the franchisee, these amounts are normally depreciated over the life of the lease. Equipment is normally depreciated over 5-7 years. Leasehold improvements are normally depreciated over 7 years.

- (D) The financing, amortization, and interest costs for leasehold improvements and equipment are not shown. Similarly, amortization of the initial franchisee fee and organization costs is not shown.

Some Wingstop Restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much. Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jim Flynn, Wingstop Restaurants Inc., 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081, (972) 686-6500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

The numbers in the tables are as of December 26, 2009, December 25, 2010, and December 31, 2011.

Table No. 1

Systemwide Outlet Summary
For years 2009 to 2011

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	2009	380	410	+30
	2010	410	443	+33
	2011	443	464	+21
Company-Owned	2009	18	23	+5
	2010	23	24	+1
	2011	24	24	0
Total Outlets	2009	398	433	+35
	2010	433	467	+34
	2011	467	488	+21

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2009 to 2011**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Alabama	2009	0
	2010	0
	2011	1
California	2009	1
	2010	3
	2011	1
Louisiana	2009	0
	2010	0
	2011	1
Nevada	2009	1
	2010	1
	2011	0
Texas	2009	11
	2010	4
	2011	13
Total	2009	13
	2010	8
	2011	16

Table No. 3

**Status of Franchised Outlets
For years 2009 to 2011**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termi- nations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Arizona	2009	12	0	0	0	5	1	6
	2010	6	0	0	0	0	0	6
	2011	6	0	0	0	0	0	6
Arkansas	2009	6	1	0	0	0	0	7
	2010	7	0	0	0	0	0	7
	2011	7	0	0	0	0	0	7
California	2009	78	13	0	0	0	0	91
	2010	91	18	0	0	0	2	107
	2011	107	12	0	0	0	3	116
Colorado	2009	14	1	0	0	0	0	15
	2010	15	1	0	0	0	0	16
	2011	16	1	0	0	0	0	17
Florida	2009	23	0	1	0	0	1	21
	2010	21	1	0	0	0	0	22
	2011	22	0	0	0	0	1	21
Georgia	2009	5	0	0	0	0	0	5
	2010	5	0	0	1	0	0	4
	2011	4	0	0	0	0	0	4
Idaho	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Illinois	2009	14	1	0	0	0	1	14

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termi- nations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons	Col. 9 Outlets at End of the Year
	2010	14	5	0	0	0	0	19
	2011	19	1	0	0	0	1	19
Indiana	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	1	1
	2011	1	0	0	0	0	0	1
Kentucky	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Louisiana	2009	10	0	0	0	0	0	10
	2010	10	3	0	0	0	0	13
	2011	13	0	0	0	0	0	13
Maryland	2009	3	0	0	0	0	0	3
	2010	3	0	0	0	0	1	2
	2011	2	1	0	0	0	0	3
Mississippi	2009	4	0	0	0	0	0	4
	2010	4	1	0	0	0	0	5
	2011	5	0	0	0	0	0	5
Missouri	2009	6	1	0	0	0	0	7
	2010	7	1	0	0	0	0	8
	2011	8	0	0	0	0	0	8
Nebraska	2009	1	0	0	0	0	0	1
	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Nevada	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
New Mexico	2009	1	4	0	0	0	0	5
	2010	5	0	0	0	0	1	4

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2011	4	0	0	0	0	0	4
New York	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	1	0	0	0	0	2
North Carolina	2009	5	0	0	0	0	3	2
	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	1	2
Ohio	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Oklahoma	2009	7	1	0	0	0	0	8
	2010	8	1	0	0	0	0	9
	2011	9	0	0	0	0	0	9
Oregon	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Pennsylvania	2009	2	1	0	0	0	0	3
	2010	3	0	0	0	0	2	1
	2011	1	0	0	0	0	0	1
South Carolina	2009	2	1	0	0	0	0	3
	2010	3	0	0	0	0	0	3
	2011	3	0	0	0	0	0	3
Tennessee	2009	4	1	0	0	0	0	5
	2010	5	0	0	0	0	1	4
	2011	4	1	0	0	0	1	4
Texas	2009	170	16	0	0	0	3	183
	2010	183	11	0	0	0	1	193
	2011	193	9	0	0	0	1	201

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termi- nations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons	Col. 9 Outlets at End of the Year
Utah	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	1	0
	2011	0	0	0	0	0	0	0
Virginia	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Washington	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
Wisconsin	2009	0	2	0	0	0	0	2
	2010	2	0	0	0	0	1	1
	2011	1	2	0	0	0	0	3
Totals	2009	380	45	1	0	5	9	410
	2010	410	45	0	1	0	11	443
	2011	443	29	0	0	0	8	464

Table No. 4

**Status of Company-Owned Outlets
For years 2009 to 2011**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Arizona	2009	0	0	5	0	0	5
	2010	5	0	0	0	0	5
	2011	5	0	0	0	0	5
Nevada	2009	4	0	0	0	0	4
	2010	4	0	0	0	0	4

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col.6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2011	4	0	0	0	0	4
Texas	2009	14	0	0	0	0	14
	2010	14	1	0	0	0	15
	2011	15	0	0	0	0	15
Totals	2009	18	0	5	0	0	23
	2010	23	1	0	0	0	24
	2011	24	0	0	0	0	24

Table No. 5

Projected Openings As Of December 31, 2011

State	Franchise Agreements Signed But Restaurants Not Open as of 12/31/11	Projected New Franchised Restaurants In The Next Fiscal Year	Projected New Company-Owned Restaurants In The Next Fiscal Year
Arizona	0	1	0
California	10	22	0
Colorado	0	2	0
Florida	1	3	0
Georgia	0	3	0
Illinois	1	3	0
Kentucky	0	1	0
Louisiana	1	2	0
Michigan	0	2	0
Missouri	0	1	0
Nevada	0	0	1
South Carolina	0	2	0
Tennessee	0	2	0
Texas	6	11	0
Washington	0	1	0
Total	19	56	1

A list of the names, addresses, and telephone numbers of our franchisees and their Restaurants as of December 31, 2011 is attached as Exhibit G. Also attached as Exhibit G are the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone numbers) of the 20 franchisees who, during our last fiscal year, had their franchises terminated, canceled, or not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement, or who had not communicated with us within the 10 weeks before this disclosure document's issuance date. If you

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

Franchisees did not sign confidentiality clauses during the last 3 fiscal years restricting their ability to speak openly about their experience with the Wingstop franchise system. For information about the Wingstop Franchise Advisory Council we have created, please contact Aaron Zipp, the main franchisee representative, at P.O. Box 330003, Northglenn, Colorado 80233, (303) 450-1036 (the Council does not have its own contact address or telephone number). There are no other trademark-specific franchisee organizations associated with the Wingstop franchise system.

ITEM 21 **FINANCIAL STATEMENTS**

The financial statements of Wingstop Restaurants Inc. listed below appear in Exhibit A to this disclosure document.

Audited Financial Statements

Independent Auditors' Report

Balance Sheets at December 31, 2011 and December 25, 2010

Statements of Income for the Years Ended December 31, 2011, December 25, 2010, and December 26, 2009

Statements of Changes in Stockholder's Equity for the Years Ended December 31, 2011, December 25, 2010, and December 26, 2009

Statements of Cash Flows for the Years Ended December 31, 2011, December 25, 2010, and December 26, 2009

Notes to Financial Statements

Unaudited Financial Statements

Balance Sheet at March 31, 2012

Statement of Operations for the periods ending March 31, 2012

ITEM 22 **CONTRACTS**

Attached to this disclosure document are our current form of General Release (used in the transfer and renewal contexts) (appearing immediately before Exhibit A), Development Agreement (Exhibit B), Franchise Agreement (Exhibit C), Renewal Riders to Franchise Agreement (Exhibit H), State Riders to Development Agreement and Franchise Agreement (Exhibit I), Franchisee Representations (Exhibit J), Franchise America Finance/Bancorp Bank SBA Loan Program Sample Loan Documents (Exhibit K), and Franchise Agreement Riders for Market Incentive Programs (Exhibit L).

ITEM 23
RECEIPTS

The execution copies of this receipt are attached as the last two pages of this Franchise Disclosure Document following the exhibits.

WINGSTOP RESTAURANTS INC.

GENERAL RELEASE

Wingstop Restaurants Inc. (“we,” “us,” or “our”) and the undersigned franchisee, _____ (“you” or “your”), currently are parties to a certain Franchise Agreement (the “Franchise Agreement”) dated _____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our affiliates, and our and their current and former officers, directors, shareholders, principals, agents, representatives, employees, successors, and assigns (collectively, the “Wingstop Parties”), from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Wingstop Parties (1) arising out of or related to the Wingstop Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Wingstop Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Wingstop Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

[This General Release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law to the extent prohibited by such law.]

WINGSTOP RESTAURANTS INC.

By: _____

Title: _____

Date: _____

[Name of Franchisee]

By: _____

Title: _____

Date: _____

[Name of Owner]

[Signature]

Date: _____

EXHIBIT A
FINANCIAL STATEMENTS

Exhibit A-1

WINGSTOP RESTAURANTS INC.
Balance Sheet
For the Three Months Ending Saturday, March 31, 2012

	Actual
ASSETS	
Current Assets	
Cash and Cash Equivalents	3,546,949
Advertising Fund Cash	2,793,927
Accounts Receivable, net	1,695,861
Advertising Fund Receivable	379,114
Inventories	196,093
Prepaid Expenses	372,303
Notes Receivable	61,884
Deferred Tax Asset	954,992
Total Current Assets	10,001,124
Other Assets	
Property and Equipment, net	3,026,965
Other Assets, net	269,406
Goodwill	3,990,228
Total Other Assets	7,286,599
Total Assets	\$ 17,287,723
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)	
Current Liabilities	
Accounts Payable	887,803
Payroll Payable	282,351
Accrued Expenses	492,616
Advertising Fund Payable and Liabilities	3,173,042
Convention Fund	64,816
Deferred Revenue	3,210,000
Total Current Liabilities	8,110,628
Deferred Rent	204,460
Deferred Tax Liability - Long Term	(19,271)
Stockholders equity	
Common Stock	500
Additional Paid In Capital	375,273
Retained Earnings	36,834,984
NI	3,739,534
Intercompany	(31,958,384)
Total stockholder's equity (deficit)	8,991,906
Total Liabilities & stockholder's equity	\$ 17,287,723

Statements were prepared without audit. Investors in and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed an opinion with respect to their contents or form.

WINGSTOP RESTAURANTS INC.
Consolidated Statement of Operations
For the Three Months Ending Saturday, March 31, 2012
Mar 2012

	YTD
Revenues	
Royalty Fee Income	\$ 5,149,870
Franchise fees and services	616,788
Sales from company operated restaurants	6,626,732
Total Revenues	12,393,390
 Cost and Expenses	
Cost of Sales	2,919,625
Rent	363,873
Labor Costs	3,195,943
General & Administrative	1,773,392
Depreciation & Amortization	405,838
Total Expenses	8,658,671
Operating Income	3,734,719
Total Other Income (Expenses)	4,815
Net Income (Loss)	\$ 3,739,534

Statements were prepared without audit. Investors in and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed an opinion with respect to their contents or form.

**Wingstop Restaurants Inc.
and subsidiaries**

(Wholly Owned subsidiary of Wingstop
Holdings, Inc.)

Consolidated Financial Report
December 31, 2011

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Independent Auditor's Report

To the Board of Directors
Wingstop Restaurants Inc.
Dallas, Texas

We have audited the accompanying consolidated balance sheets of Wingstop Restaurants Inc. (a wholly owned subsidiary of Wingstop Holdings, Inc.) and subsidiaries as of December 31, 2011 and December 25, 2010, and the related consolidated statements of income, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wingstop Restaurants Inc. and subsidiaries as of December 31, 2011 and December 25, 2010, and the results of their operations and their cash flows for each of the three years ending December 31, 2011, December 25, 2010 and December 26, 2009 in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Dallas, Texas
April 19, 2012

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Consolidated Balance Sheets

ASSETS	December 31, 2011	December 25, 2010
Current assets:		
Cash and cash equivalents	\$ 3,794,384	\$ 3,061,751
Trade accounts receivable, net	863,342	740,257
Other accounts receivable	517,280	1,178,719
Inventories	173,625	167,094
Prepaid expenses and other current assets	490,905	239,322
Deferred tax asset	1,068,789	753,483
Total current assets	6,908,325	6,140,626
Property and equipment, net	3,216,029	3,670,347
Goodwill	3,990,228	3,990,228
Other assets	284,955	289,573
Total assets	\$ 14,399,537	\$ 14,090,774
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,665,086	\$ 2,236,974
Deferred revenue	2,686,550	1,890,950
Advertising fund liability	1,714,616	939,876
Total current liabilities	7,066,252	5,067,800
Deferred tax liability	186,562	125,267
Total liabilities	7,252,814	5,193,067
Commitments and contingencies		
Stockholder's equity:		
Common stock, \$.00625 par value, 1,000,000 shares authorized, 80,000 issued and outstanding	500	500
Additional paid-in capital	375,273	375,273
Retained earnings	36,834,974	27,700,967
Advances to parent	(30,064,024)	(19,179,033)
Total stockholder's equity	7,146,723	8,897,707
Total liabilities and stockholder's equity	\$ 14,399,537	\$ 14,090,774

See Notes to Consolidated Financial Statements.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Consolidated Statements of Income

	Years Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
Revenues:			
Sales from company-operated restaurants	\$ 23,144,947	\$ 20,126,469	\$ 19,171,929
Franchise revenues:			
Royalties	17,997,994	15,570,897	14,271,975
Franchise fees and services	2,818,139	1,988,199	2,243,576
Total revenues	43,961,080	37,685,565	35,687,480
Costs and expenses:			
Restaurant labor, occupancy and other expenses	10,133,344	9,349,434	8,508,775
Restaurant cost of sales - food, beverages and packaging	7,783,644	7,283,241	7,363,420
General and administrative	10,631,603	9,329,945	9,002,076
Depreciation and amortization	1,496,533	1,440,269	1,245,296
	30,045,124	27,402,889	26,119,567
Operating income	13,915,956	10,282,676	9,567,913
Interest (income) expense	(4,786)	(4,835)	8,074
Income before income tax expense	13,920,742	10,287,511	9,559,839
Income tax expense	4,786,735	3,616,756	3,268,942
Net income	\$ 9,134,007	\$ 6,670,755	\$ 6,290,897

See Notes to Consolidated Financial Statements.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Consolidated Statements of Stockholder's Equity

	Common Stock		Additional Paid-in Capital	Retained Earnings	Advances to Parent	Total
	Shares	Amount				
Balance at December 27, 2008	80,000	\$ 500	\$ 375,273	\$ 14,739,315	\$ (6,802,001)	\$ 8,313,087
Net change in advances to Parent	-	-	-	-	(1,321,674)	(1,321,674)
Net income	-	-	-	6,290,897	-	6,290,897
Balance at December 26, 2009	80,000	500	375,273	21,030,212	(8,123,675)	13,282,310
Net change in advances to Parent	-	-	-	-	(11,055,358)	(11,055,358)
Net income	-	-	-	6,670,755	-	6,670,755
Balance at December 25, 2010	80,000	500	375,273	27,700,967	(19,179,033)	8,897,707
Net change in advances to Parent	-	-	-	-	(10,884,991)	(10,884,991)
Net income	-	-	-	9,134,007	-	9,134,007
Balance at December 31, 2011	80,000	\$ 500	\$ 375,273	\$ 36,834,974	\$ (30,064,024)	\$ 7,146,723

See Notes to Consolidated Financial Statements.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Consolidated Statements of Cash Flows

	Years Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
Cash flows from operating activities:			
Net income	\$ 9,134,007	\$ 6,670,755	\$ 6,290,897
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,496,533	1,440,268	1,245,296
Loss on sale of property and equipment	28,931	176,781	983
Deferred income taxes	(254,011)	75,277	217,983
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net	(123,085)	(265,018)	(36,684)
Other accounts receivable	661,439	(1,115,696)	8,763
Inventories	(6,531)	5,397	(9,025)
Prepaid expenses and other current assets	(251,583)	(136)	(21,981)
Other assets	(15,536)	70,006	(59,769)
Accounts payable and accrued liabilities	428,112	373,531	(207,113)
Deferred revenue	795,600	42,821	(285,381)
Advertising fund liability	774,740	53,208	(354,869)
Net cash provided by operating activities	12,668,616	7,527,194	6,789,100
Cash flows from investing activities:			
Purchases of property and equipment	(1,050,992)	(1,153,344)	(818,472)
Cash paid for acquisitions of restaurants	-	-	(2,050,000)
Net cash used in investing activities	(1,050,992)	(1,153,344)	(2,868,472)
Cash flows from financing activities:			
Net change in advances to Parent	(10,884,991)	(11,055,358)	(1,321,674)
Net increase (decrease) in cash and cash equivalents	732,633	(4,681,508)	2,598,954
Cash and cash equivalents, beginning of year	3,061,751	7,743,259	5,144,305
Cash and cash equivalents, end of year	\$ 3,794,384	\$ 3,061,751	\$ 7,743,259

See Notes to Consolidated Financial Statements.

**Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of Business

Wingstop Restaurants Inc. and subsidiaries (collectively, the "Company") is in the business of developing, franchising and operating Wingstop restaurants (generally referred to as "stores") throughout the United States and one foreign country. At December 31, 2011, the Company operated a total of 24 company-owned units. There are currently 15 locations in Texas, 4 locations in Nevada, and 5 locations in Arizona. In addition to these 24 company-owned units, there were 476 franchised locations in operation at December 31, 2011. The Company is a wholly owned subsidiary of Wingstop Holdings, Inc., which is a wholly owned subsidiary of Wing Stop Holding Corporation (the "Parent").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

Fiscal Year

The Company's utilizes a 52- or 53- fiscal year that ends on the last Saturday of the calendar year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less at date of purchase are considered to be cash equivalents.

The Company has deposits with financial institutions which at times may be in excess of FDIC insured limits. The Company has not experienced any losses on such accounts and management believes it is not exposed to any significant risk on cash and cash equivalents.

Trade Accounts Receivable

Franchisee receivables are carried at the original invoice amount less an allowance for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Franchisee receivables are written-off when deemed uncollectible. Recoveries of franchisee receivables previously written-off are recorded when received. No interest is charged on outstanding receivables.

Other Accounts Receivable

Other accounts receivable consists primarily of rebates receivable.

**Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)**

Notes to Consolidated Financial Statements

Inventories

Inventories, which consist primarily of food products for the company stores, are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using a straight-line method over the estimated useful lives of the assets or the shorter of the useful lives or the minimum lease terms of the leases for leasehold improvements. The costs and related accumulated depreciation and amortization of property and equipment sold, retired or disposed of are removed from the accounts and any gains or losses are reflected in the consolidated statements of income. Expenditures for major acquisitions and improvements are capitalized while expenditures for maintenance and repairs are expensed as incurred.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment when events and circumstances indicate that the carrying amount of an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the assets to their estimated undiscounted future cash flows expected to be generated by the assets. If the carrying value of the assets exceeds their estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the assets exceeds their fair value.

Goodwill

Goodwill is tested at the end of each fiscal year for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. In assessing the recoverability of goodwill, the Company must make assumptions about the estimated future cash flows and other factors to determine the fair value of these assets. The impairment evaluation includes a comparison of the carrying value of the reporting unit (including goodwill) to that reporting unit's fair value. If the reporting unit's estimated fair value exceeds the reporting unit's carrying value, no impairment of goodwill exists. If the fair value of the reporting unit does not exceed the unit's carrying value, an additional analysis is performed to allocate the fair value of the reporting unit to all of the assets and liabilities of that unit as if that unit had been acquired in a business combination and the fair value of the unit was the purchase price. If the excess of the fair value of the reporting unit over the fair value of the identifiable assets and liabilities is less than the carrying value of the unit's goodwill, an impairment charge is recorded for the difference.

Cooperative Advertising Fund

The Company maintains a cooperative advertising fund that receives contributions from its franchisees based upon a percentage of gross sales. The fund is used to create marketing materials relating to the Wingstop franchise system and the products restaurants sell, to place and run advertisements, commercials and promotional materials in local, regional and national media, to pay for public relations projects intended to enhance the goodwill and public image of the Wingstop franchise system, and to reimburse the Company (based on reasonable allocations calculated by the Company's management) for salaries and other overhead expenses that are directly related to advertising projects. Contributions and expenses to the fund are excluded from the income statement.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Notes to Consolidated Financial Statements

For fiscal years 2011, 2010 and 2009, the total contributions and expenditures to this fund, were as follows:

Balance, December 27, 2008	\$ 1,241,537
Contributions	8,012,373
Expenditures	<u>(8,367,242)</u>
Balance, December 26, 2009	886,668
Contributions	8,804,871
Expenditures	<u>(8,751,663)</u>
Balance, December 25, 2010	939,876
Contributions	10,079,314
Expenditures	<u>(9,304,574)</u>
Balance, December 31, 2011	<u><u>\$ 1,714,616</u></u>

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$865,588, \$772,685 and \$730,743 in fiscal years 2011, 2010 and 2009, respectively.

Revenue Recognition

Revenue from the sale of food and beverage products at Company-operated stores is recognized upon delivery.

Revenue from franchising activities is recognized based on the terms of the underlying agreements and in accordance with accounting guidance as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 952. In general, the Company's franchise agreements provide for the payment of a one-time fee associated with the opening of a new store and an ongoing royalty based on a percentage of sales. These agreements also require contributions by the franchisee to an advertising fund, as discussed above.

Additionally, the Company receives a development fee for the development of an individual store within a defined geographic territory. Development agreement payments are made when the agreement is executed and are nonrefundable. The Company also earns revenues from architectural services and décor packages sold to franchisees.

Fees from franchise operations are recorded as deferred franchise revenue when billed or received and are recognized as revenue when all material services or conditions relating to the fees have been substantially performed or satisfied by the Company, which is generally upon the occurrence of the following:

Development fees	Upon successfully securing a site as evidenced by the signing of a lease
Initial franchise fees	Upon the store's opening
Architectural fees	Upon delivery of the construction documents
Revenues from the sale of décor packages	Upon installation of the décor package

The Company recognizes royalty revenues as earned.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Notes to Consolidated Financial Statements

Leases

The Company leases land and/or buildings for its corporate office and all of its restaurants under various long-term operating lease agreements. The Company accounts for leases in accordance with FASB ASC Topic 840, *Leases*. The Company uses a lease life that begins on the date that the Company takes possession under the lease.

Certain of the Company's operating leases contain predetermined fixed escalations of the minimum rent during the original term of the lease. For these leases, the Company recognizes the related rent expense on a straight-line basis over the lease term and records the difference between the amounts charged to operations and amounts paid, as accrued deferred rent.

Deferred Taxes

The Company is included in the consolidated tax return of the Parent. Income taxes are allocated to the Company as if it filed a stand-alone return.

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company evaluates tax positions taken or expected to be taken in the course of preparing the Company's federal and state tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" by the applicable tax authority. Tax positions deemed to meet the more likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for years ended on or before December 31, 2006. For the year ended December 31, 2011, management has determined there are no material uncertain tax positions.

Reclassifications

Certain reclassifications have been made to the 2010 and 2009 financial statements to conform them to the 2011 financial statement presentation. The reclassifications had no effect on the change in net assets as previously reported

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 19, 2012.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Notes to Consolidated Financial Statements

Note 2. Trade Accounts Receivable

Trade accounts receivable are summarized as follows:

	<u>December 31,</u> <u>2011</u>	<u>December 25,</u> <u>2010</u>
Accounts receivable	\$ 985,369	\$ 808,863
Less allowance for uncollectible accounts	<u>(122,027)</u>	<u>(68,606)</u>
	<u>\$ 863,342</u>	<u>\$ 740,257</u>

Note 3. Property and Equipment

Property and equipment consist of the following:

	<u>December 31,</u> <u>2011</u>	<u>December 25,</u> <u>2010</u>
Leasehold improvements	\$ 4,984,274	\$ 5,124,555
Equipment, furniture and fixtures	4,206,962	3,465,453
Transportation equipment	29,691	54,895
Construction in progress	<u>100,114</u>	<u>302,599</u>
	<u>9,321,041</u>	<u>8,947,502</u>
Less accumulated depreciation and amortization	<u>(6,105,012)</u>	<u>(5,277,155)</u>
	<u>\$ 3,216,029</u>	<u>\$ 3,670,347</u>

Depreciation expense for the years ended December 31, 2011 and December 25, 2010 was \$1,496,533 and \$1,440,268, respectively.

Note 4. Related Party Transactions

As of December 31, 2011, substantially all of the assets of the Company were pledged as security under certain debt obligations of its Parent. The outstanding balance of those debt obligations totaled \$60,000,000 at that date. As of December 25, 2010, the Company had pledged substantially all of its assets as security under certain debt obligations of Wingstop Holdings, Inc. The outstanding balance of those debt obligations totaled \$44,798,052 at that date.

The advances to the parent are unsecured, do not bear interest and have no stated maturity. For financial statement purposes, these advances have been presented as a reduction of stockholder's equity.

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Notes to Consolidated Financial Statements

Note 5. Income Taxes

The income tax expense for the fiscal years ended December 31, 2011, December 25, 2010 and December 26, 2009 consists of the following:

	Years Ended		
	<u>December 31,</u> <u>2011</u>	<u>December 25,</u> <u>2010</u>	<u>December 26,</u> <u>2009</u>
Federal:			
Current expense	\$ 4,716,443	\$ 3,318,353	\$ 2,885,433
Deferred expense	(254,011)	75,277	217,983
	<u>4,462,432</u>	<u>3,393,630</u>	<u>3,103,416</u>
State	<u>324,303</u>	<u>223,126</u>	<u>165,526</u>
	<u>\$ 4,786,735</u>	<u>\$ 3,616,756</u>	<u>\$ 3,268,942</u>

The actual income tax expense differs from the amount computed based on the expected federal statutory income tax rate of 34%. A reconciliation of statutory federal income tax expense to income tax expense is as follows:

	Years Ended		
	<u>December 31,</u> <u>2011</u>	<u>December 25,</u> <u>2010</u>	<u>December 26,</u> <u>2009</u>
Tax at statutory rate	\$ 4,733,052	\$ 3,497,754	\$ 3,250,345
State income taxes, net of federal benefit	202,412	108,202	90,612
Other	(148,729)	10,800	(72,015)
	<u>\$ 4,786,735</u>	<u>\$ 3,616,756</u>	<u>\$ 3,268,942</u>

Wingstop Restaurants Inc. and subsidiaries
(A Wholly Owned Subsidiary of Wingstop Holdings, Inc.)

Notes to Consolidated Financial Statements

Deferred tax assets and liabilities consist of the following:

	<u>December 31,</u> <u>2011</u>	<u>December 25,</u> <u>2010</u>
Deferred tax assets:		
Deferred revenue	\$ 947,815	\$ 664,480
Accounts receivable	43,051	24,108
Property and equipment	208,053	187,484
Accrued liabilities	-	246
Other	92,483	65,959
Total deferred tax asset	<u>1,291,402</u>	<u>942,277</u>
Deferred tax liabilities:		
Goodwill	409,175	314,061
Total deferred tax liabilities	<u>409,175</u>	<u>314,061</u>
	<u>\$ 882,227</u>	<u>\$ 628,216</u>

Note 6. Commitments and Contingencies

The Company is involved in legal actions arising from normal business activities. Management believes that the ultimate liability, if any, resulting from these legal matters will not materially affect the financial position, results of operations or cash flows of the Company.

Operating Leases

The Company leases office space, stores and certain equipment under noncancelable operating leases with terms expiring through July 2017. The leases require annual minimum rentals in the following amounts:

Fiscal year:	
2012	\$ 1,216,872
2013	1,143,347
2014	925,487
2015	706,300
2016	149,672
Thereafter	<u>20,058</u>
Total minimum lease payments	<u>\$ 4,161,736</u>

Rent expense under cancelable and noncancelable leases was \$1,456,945, \$1,400,559 and \$1,297,021 in fiscal 2011, 2010 and 2009, respectively.

EXHIBIT B

DEVELOPMENT AGREEMENT

Exhibit B-1

WINGSTOP RESTAURANTS INC.

**DEVELOPMENT AGREEMENT
FOR A
WINGSTOP RESTAURANT**

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- A. Description of Development Area
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GLOSSARY OF TERMS

The following terms are used in the following Development Agreement (“Agreement”) with the meanings assigned in this Glossary.

AAA means the American Arbitration Association.

Affiliate means a Person that controls, is controlled by, or is under common control with another Person by virtue of equity ownership, contract, or other means.

Approved Broker means a Company approved licensed real estate broker.

Arbitration Act means the United States Arbitration Act, currently codified at 9 U.S.C. §§ 1 *et seq.*

Business Entity means a corporation, general or limited partnership, or limited liability company.

Catering means the Restaurant’s preparation of the standard menu items and delivery of those items, either in prepackaged portions or in bulk, to commercial accounts. Catering may or may not include on-site set up, food service and/or clean up.

Charter Documents means a corporation’s articles of incorporation, by-laws and shareholders agreement (if any); a partnership’s partnership agreement and, in the case of a limited partnership, its articles of limited partnership; a limited liability company’s articles of association and regulations or operating agreement; and comparable governing documents of any other type of business entity.

Company means Wingstop Restaurants Inc.

Confidential Information means any records, contracts, correspondence, customer lists, addresses or similar items regarding customers, prospective customers, or sales operations of the Company, marketing plans, marketing information, prices, recipes, formulae, operating systems, suppliers or similar information with respect to products or services of Company, and such other information about Company and its business as may reasonably be construed to be confidential or proprietary to Company.

Controlling Ownership Interest in Developer means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Developer, the determination of whether a Controlling Ownership Interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a Controlling Ownership Interest will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). In making the determination, Company also may consider all previous transfers of ownership interests to assess whether, in the aggregate, there has been or would be the transfer of a Controlling Ownership Interest.

Controlling Principal(s) means, if Developer is a Business Entity, any Person with a five percent (5%) or greater equity interest in Developer. Each Controlling Principal will be individually bound by certain obligations in this Agreement concerning confidentiality and noncompetition. No Controlling Principal may, within the time periods specified in this Agreement, hold an ownership interest in or perform services in any capacity for any other quick service food business in which chicken pieces, chicken strips, or chicken wings are featured as a primary menu item. “Primary” means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.

Delivery Service means the delivery of food and beverages in prepackaged portions to residential customers. Delivery service does not include on-site set up, food service, or clean up.

Developer means that Person listed on the first page of this Agreement, including the plural as well as the singular, masculine and feminine.

Development Agreement means this Agreement.

Development Area means that particular area, as specifically described in Exhibit A to this Agreement, in which Developer will have development rights. The Development Area shall in all cases be deemed to exclude any and all Non-Traditional Venues physically located within the Development Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Development Area. Developer may not operate at such Non-Traditional Venues, and there are no restrictions whatsoever on Company's activities in or at those Non-Traditional Venues, including, but not limited to, its right to operate and grant others the right to engage in foodservice operations under the Marks at such Non-Traditional Venues.

DMA means Designated Market Area, an advertising term that Neilson Rating Service uses to demarcate the primary coverage of broadcast and print media in given markets. The boundaries of a particular DMA will be determined by reference to television coverage.

Effective Date means the date Company signs this Agreement, as indicated in its signature block.

Event of Default means failure to meet those contractual obligations as stated in, but not limited to, Section 11 of this Agreement and the consequences and cures of same.

Franchise Agreement means that Franchise Agreement between Company and Developer under which Developer purchases the franchised rights to operate a Wingstop Restaurant.

Franchise Disclosure Document means the most recently-issued disclosure document of Wingstop Restaurants Inc.

Intranet is Company's restricted global computer-based communications network.

Investor Confidentiality Agreement means the document substantially similar to that appearing in Exhibit D to this Agreement.

Lease Execution Date means the date on which the lease is executed by Developer and the landlord, which also triggers the execution of the Franchise Agreement by Developer and Company.

Lease Rider means the document substantially similar to that appearing in Exhibit E to this Agreement.

Mall means an assembly of retail establishments housed in a structure that encloses more than 250,000 square feet of floor space (including common areas) under a single roof.

Marks refers to and includes (i) the Wingstop service mark and logo, (ii) the Wingstop trade name, (iii) the elements and components of a Restaurant's Trade Dress, and (iv) any and all additional or different trade names, trademarks, service marks, logos and slogans that Company adopts to identify the Wingstop franchise system and the products and services Restaurants offer.

Non-Traditional Venue means a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, or theater.

Operations Manual means and collectively includes all manuals, policy statements, directives, bulletins and memoranda, as revised from time to time, that contain prescribed or recommended specifications, standards, procedures, policies and advice relating to a Restaurant's operation and management and to marketing the products Restaurants serve. The Operations Manual discloses the principal elements of Company's proprietary System, and its contents are and shall remain Company's exclusive property.

Option Expiration Date means the date by which Developer must complete the development schedule, as noted on Exhibit B to this Agreement (unless otherwise extended).

Person means an individual or a Business Entity.

Principal means any Person with an ownership interest in Developer, if Developer is a Business Entity. A Principal includes a Controlling Principal. A Principal with access to Trade Secrets and other Confidential Information must agree to be bound by certain covenants concerning confidentiality, even if that Principal is not a Controlling Principal.

Restaurant means a retail establishment at a fixed (permanent) location outside a Mall or Non-Traditional Venue that operates continuously on a year-round basis under the Wingstop trade name and System. However, the term does not include any type of Special Outlet.

Scheduled Opening Date means the date the Restaurant is open for business.

Special Outlet means a kiosk, a satellite unit, an express unit, a mini-store, a temporary or seasonal booth, or similar installation, no matter how denominated, operated under the Wingstop trade name. The term also includes a mobile dispensing unit, such as a cart or customized RV, operated under the Wingstop trade name but does not include an automobile or van used predominately for Catering or, if expressly permitted, Delivery Service.

System means the compilation of operating procedures, marketing concepts, management techniques, and communications methods and procedures that Company has developed or adopted to govern the operation of Restaurants, the marketing of their products and services, and the methods of communication between and among Company and Restaurant operators, all or some of which may be deleted, changed, improved or further developed by Franchisor from time to time.

Trade Area means that certain area of development relating to the location of a Restaurant.

Trade Dress means decorative, non-functional components of a Restaurant that provide the establishment a distinctive, memorable appearance.

Trade Secrets means the components of the System, the contents of the Operations Manual and of all employee training materials and computer programs developed by Company or in accordance with its specifications, and any other confidential information that Company imparts to Franchisee with respect to a Restaurant's operation or management, whether through the Operations Manual or otherwise.



WINGSTOP RESTAURANTS INC. DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“Company”), and _____ (“Developer”) (“Agreement”). Certain terms are used in this Agreement with the meanings assigned in the Glossary of Terms appearing at the beginning of this Agreement. That Glossary is incorporated into, and made an integral part of, this Agreement by reference.

1. RECITALS.

Company sells franchises to operate Wingstop restaurants (“Restaurants”). Developer is a prospective franchisee whose application to become a Wingstop franchisee has been approved by Company.

2. GRANT OF FRANCHISE PURCHASE OPTION.

In consideration of the Development Fee(s) Developer pays in accordance with Section 8, Company grants to Developer an option to purchase a franchise for the operation of one or more Restaurants in the Development Area described in Exhibit A. The option’s term is the period between the Effective Date and the Option Expiration Date, both of which are indicated on the signature page of this Agreement.

If Developer is a Business Entity, Developer must provide copies of its Charter Documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock, and any other documents as may be reasonably required by Company to be furnished to Company prior to the execution of this Agreement. Developer further represents, warrants and covenants that it is duly organized and validly existing under the law of the state of its formation and is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification.

To exercise the option, Developer must comply with all the requirements of Section 3(b). If Developer does not fulfill those requirements before the Option Expiration Date, Developer may request one 45-day extension (subject to Section 4 of this Agreement). However, if the Option Expiration Date has not been extended, the original option will unconditionally expire and this Agreement will automatically terminate on the Option Expiration Date.

Developer represents, warrants and agrees that Exhibit C is complete, current and accurate. Each Person who is or becomes a Principal and has access to Trade Secrets or other Confidential Information must agree to be bound by certain confidentiality covenants. In addition, Developer agrees to comply with all terms of use concerning Company’s Intranet.

If, at any time during this Agreement, a permitted change is made in Developer’s Controlling Principals, Developer shall notify Company in writing within five days after such change becomes effective and submit to Company a revised Exhibit C.

Developer will notify Company within five days after the commencement of any action, suit, arbitration, proceeding, or investigation, or the issuance of any order, writ, injunction, award, or decree, by any court, agency, or other governmental instrumentality which names Developer and/or any Controlling Principal as a party or otherwise concerns the operation of a Restaurant or Developer's financial condition.

3. RESTAURANT DEVELOPMENT PROCEDURE.

(a) Promptly after the Effective Date, Company will furnish Developer with general guidelines that Developer should look for and consider in identifying potential sites for the Restaurant, which include information about the interior lay-out, utility requirements and signs for a typical Restaurant.

(b) Not later than the Option Expiration Date, Developer must complete the following steps in the sequence shown:

(i) Developer should seek local broker assistance. In many markets, Company has Approved Brokers. In those markets without Approved Brokers, Company reserves the right to approve the real estate broker Developer selects. Company may assist Developer in locating a broker for the area. However, Developer is not obligated to use the broker that Company recommends;

(ii) Developer will be solely responsible for ensuring that any available sites submitted for Company's approval are located only within the Development Area. Company will not approve a site proposed by Developer that is located outside the Development Area, as Developer has no rights outside the Development Area;

(iii) Developer will locate one or more available sites that appear suitable for a Restaurant and submit for Company's evaluation a written site approval request and a landlord's summary of the lease terms available for each site. Developer must also give each landlord a copy of the Lease Rider attached to this Agreement as Exhibit E. After Developer provides to Company the required documentation, which must include the site plan, photos, letter of intent summary, and other information Company deems necessary, Company will evaluate and critique the information on each site and basic lease terms in consultation with Developer. Company may visit and inspect the sites that Developer proposes;

(iv) If and when Company is satisfied that one or more of the sites are reasonably acceptable, Company will give Developer written authorization to proceed with lease negotiations. Company's written authorization to negotiate a lease will, at Company's sole discretion, not be unreasonably withheld. Company reserves the absolute right to reject any site or lease proposal Developer submits and to require that Developer obtain information on additional sites. Under no circumstances may Developer pursue a site located inside the protected Trade Area of another Restaurant that is either operating or under development. Company's acceptance of a proposed site will not constitute a warranty or representation as to the site's suitability or success of the Restaurant. It simply means that Company is willing to grant a franchise at that location. Developer is solely responsible for the final decision to accept the approved site based on Developer's independent investigations;

(v) After receiving Company's written authorization to negotiate, Developer must negotiate a Restaurant lease to Developer's satisfaction and submit an unsigned copy of the lease to Company for its verification that the terms of usage, hours of operation and other relevant information meet Company's standards and that the Lease Rider and the Restaurant's street address are included.

Developer acknowledges that Company will have no responsibility for evaluating or advising Developer with respect to any business or legal aspects of the lease, but that Company may withhold authorization for Developer to sign a lease that omits a Lease Rider in substantially the form attached as Exhibit E to this Agreement, or that contains provisions Company considers excessively onerous or restrictive, even if that means that Developer once again must look for suitable sites;

(vi) When Company is satisfied with the Restaurant's lease, Company will give Developer written authorization to sign it. Once Company receives a copy of the fully executed lease with all exhibits, attachments and addenda, Company will furnish Developer a ready-for-signature copy of the Franchise Agreement for the Restaurant. The Franchise Agreement will be substantially the same as the Franchise Agreement attached as Exhibit B to the Franchise Disclosure Document that Developer received prior to the execution of this Agreement, with all blanks filled in and the boundaries of the Restaurant's protected Trade Area identified; and

(vii) Developer must sign the Franchise Agreement immediately after the necessary federally mandated waiting period has passed and return the executed Franchise Agreement, along with the appropriate fees, to Company.

4. OPTION EXTENSION.

If Developer is unable to satisfy all the requirements of Section 3(b) before the Option Expiration Date, Developer may apply for one (but only one) 45-day extension of the Option Expiration Date. To apply for an extension, Developer must request it in writing not later than 15 days before the Option Expiration Date. Company will grant the extension if, in its reasonable judgment, Developer has made a good faith effort to comply with the requirements of Section 3(b) but has experienced delays beyond Developer's reasonable control. If this Agreement terminates, Developer must reapply as if it was a first time prospective franchisee of Company.

5. AREA DEVELOPMENT RIGHTS.

This Section 5 (as well as Sections 6 and 7) applies if Exhibit B indicates that Company has granted Developer the right to develop more than one Restaurant.

(a) In consideration of the Development Fee Developer pays in accordance with Section 8(b), Company grants to Developer the right (and Developer undertakes the obligation) to develop the number of Restaurants indicated in Exhibit B in the Development Area.

(b) In order to retain the right to develop Restaurants, Developer must:

(i) comply with the requirements of Sections 2 and 3(b);

(ii) develop and open Restaurants in compliance with Section 6 of this Agreement and the development schedule indicated in the "Lease Execution Date" and "Scheduled Opening Date" columns of Exhibit B; and

(iii) as of each Restaurant's Scheduled Opening Date, be operating in the Development Area the cumulative total number of Restaurants indicated in the "Required # of Operating Restaurants" column of Exhibit B.

(c) Subject to earlier termination in accordance with Section 11 and to renewal under Section 10, Developer's development rights will continue from the Effective Date of this Agreement until the execution date of the Franchise Agreement for the last Restaurant to be developed pursuant to this Agreement.

(d) If Developer defaults under this Agreement in the manner described in Section 11, Company may exercise the rights granted in Section 11.

After this Agreement expires or terminates, Developer's right to develop Restaurants in the Development Area ends. Company then may grant to others development rights and Restaurant franchises in Developer's former Development Area and may open its own Restaurants there. This consequence follows even if Developer has completed its development obligations on time and in strict compliance with this Agreement. However, termination of Developer's development rights does not affect the status of the franchise for any Restaurant Developer is operating when this Agreement expires or terminates.

6. ADDITIONAL RESTAURANT DEVELOPMENT PROCEDURE.

Not later than the Scheduled Opening Date for a particular Restaurant, Developer must complete the following steps, in the sequence shown, for a Restaurant's development:

(a) Not later than 30 days before a particular Restaurant's Lease Execution Date, Developer must notify Company that Developer is prepared to commence the Restaurant's development. If Company's then current form of Franchise Disclosure Document bears a more recent date than the most recent Franchise Disclosure Document that Developer received, Company will furnish the current Franchise Disclosure Document to Developer, and Developer will execute the then current form of Franchise Agreement. Developer must also pay in full to Company all outstanding amounts then owed to Company.

(b) Developer must comply with all of the requirements of Sections 2 and 3(b) for each additional Restaurant.

7. RESTAURANT DEVELOPMENT EXTENSIONS; FORCE MAJEURE.

(a) If Developer is unable to secure a lease for the second or any later Restaurant by its scheduled Lease Execution Date, Developer may apply for one 45-day extension of both the Lease Execution Date and the corresponding Scheduled Opening Date. To obtain an extension, Developer must request it in writing not later than 15 days before the relevant Lease Execution Date. Company will grant the extension if, in its reasonable judgment, Developer has made a good faith effort to comply with the requirements of Section 3(b) but has experienced delays beyond Developer's reasonable control.

(b) An extension obtained under Section 7(a) will apply only to the Restaurant for which Developer obtained it; an extension will not delay either the Lease Execution Date or the Scheduled Opening Date of any subsequent Restaurant.

(c) If the execution of a Restaurant's lease or the Restaurant's opening is delayed beyond its Lease Execution Date or Scheduled Opening Date, as applicable, on account of a natural disaster, fire or other casualty, labor dispute, materials shortage, or similar event over which Developer lacks control (although such "force majeure" events do not under any circumstances include Developer's financing delays or difficulties), the Restaurant's Lease Execution Date or Scheduled Opening Date, as applicable, will be extended for the time reasonably necessary to remedy the event's effects. The extension provided

in this Section 7(c) will be available only if Developer gives Company prompt written notice of the event's occurrence and an estimate of the time required to remedy its effects.

(d) An extension under Section 7(c) will apply only to the Lease Execution Date or Scheduled Opening Date of the Restaurant whose development is interrupted; an extension will not delay the Lease Execution Date or Scheduled Opening Date of any subsequent Restaurant.

8. FEES.

(a) **Development Fee.** When Developer signs this Agreement, Developer must pay Company a fee of \$10,000 for the option granted in Section 2. The Development Fee is fully earned by Company in consideration of the option's grant and is not refundable.

(b) **Development Fees.** If Section 5 applies, when Developer signs this Agreement, Developer must pay Company a Development Fee of \$_____ (\$10,000 per Restaurant) for the development rights granted in Section 5. The Development Fee is fully earned by Company in consideration of the development rights granted in this Agreement and is not refundable.

(c) **Franchise Fees.** The Franchise Agreement stipulates the franchise fee payable for a Wingstop franchise.

9. COMPETITIVE PROTECTION; TERRITORIAL SCOPE OF DEVELOPMENT RIGHTS.

(a) Except to the extent indicated in Sections 9(b) and 9(c), Developer's right to develop Restaurants in the Development Area will initially be protected. So long as Developer retains protected development rights, Company will not open or grant a franchise for a Restaurant, or enter into another franchise option or development agreement relating to a Restaurant to be located, in the Development Area. This Agreement applies nowhere outside the Development Area, either in terms of Developer's development rights or the competitive protections this Section 9 provides.

(b) Developer may lose the protected development rights in accordance with Section 11. Moreover, if Developer transfers the franchise (with the Company's written approval of such transfer) for any operating Restaurant, Developer's rights will no longer be protected in relation to the transferee. Company (upon Company's approval of the new franchisee) may enter into a development agreement with the Restaurant's new franchisee for the development of Restaurants within the Development Area and also may permit the new franchisee to relocate the Restaurant and to open Special Outlets inside the Development Area in accordance with the provisions of Company's then current Franchise Agreement.

(c) Company may grant a franchise or license for a Special Outlet in a Mall located inside the Development Area if the Mall's owner or manager sets financial, experience or organizational standards for an acceptable operator that Developer does not satisfy at the time the opportunity becomes available. Except as permitted in Section 9(b) and in the preceding sentence, Company will not grant franchises or licenses to operate Special Outlets in the Development Area to anyone except Developer for so long as this Agreement remains in effect. However, this Agreement does not apply to the development of Special Outlets and does not itself authorize or permit Developer to develop Special Outlets.

(d) The protected rights provided to Developer in Section 9(a) will not to any extent prohibit or restrict Company from engaging in the distribution of its proprietary or branded products and other merchandise to or through commercial establishments that are not affiliated with Company or associated

with the Wingstop service mark or franchise system, including (for example) department stores, supermarkets and convenience stores. Company may exercise its distribution rights, both inside and outside the Development Area, without being deemed to have infringed Developer's competitive protection rights.

(e) The protected rights provided to Developer in Section 9(a) will not to any extent prohibit or restrict Company and its Affiliates from engaging in any and all of the activities, whether or not competitive, in which they are permitted to engage under Company's Franchise Agreement.

10. RENEWAL.

(a) If Section 5 applies, Developer will have a conditional right to secure a renewal of the right to develop Restaurants in the Development Area.

(b) Renewal will be permitted only if all of the following conditions are satisfied:

(i) Developer opens the full number of Restaurants indicated in Exhibit B in compliance with Sections 3 and 6 and the Development Schedule indicated in Exhibit B (taking into account any deadline extensions that Developer obtains in compliance with Sections 4 and 7);

(ii) Developer does not cause or permit a default to occur under Section 11, whether or not Company exercises its right to terminate Developer's exclusive rights under this Agreement on account of the default;

(iii) All of Developer's Restaurants are being operated in substantial compliance with Company's quality control and other operational standards, and Developer is not delinquent in paying royalty or other monetary obligations to Company or in submitting required financial reports to Company; and

(iv) Based on its review of the financial and additional information that Developer submits in accordance with Section 10(c)(i), Company is satisfied that Developer is financially capable of completing the development of the additional Restaurants that Developer proposes to develop.

(c) To secure a renewal of the development rights, Developer must comply with the following procedures:

(i) No later than 60 days before the Lease Execution Date of the last Restaurant listed in Exhibit B, Developer must notify Company of Developer's desire to continue developing Restaurants in the Development Area and submit to Company a new application, current financial information for Developer and its Controlling Principals, copies of any outstanding lawsuits, proof of payment of all taxes, copies of the latest tax returns, and Developer's latest quarterly unaudited financial statements. Developer's notice must specify the number of additional Restaurants Developer proposes to develop and indicate any changes Developer seeks in the Development Area's boundaries.

(ii) Company will evaluate the application Developer submits as well as Developer's financial information and development proposal no later than 30 days before the renewal date. If Company determines that Developer qualifies to develop additional Restaurants, it will furnish Developer a new Development Agreement on the form Company is then using. The exhibits to that agreement will reflect the Development Area boundaries, number of Restaurants and development schedule that Company is willing to accept, which may differ from Developer's proposal.

(iii) No earlier than 15 calendar days, but no later than 20 calendar days, after Company furnishes the new Development Agreement to Developer, Developer must sign and return it to Company, together with the development fee specified in that agreement and a general release, in form and substance satisfactory to Company, of any and all claims by Developer and its Affiliates against Company and its Affiliates, and all of Company's and its Affiliates' respective owners, officers, directors, and agents, arising out of or relating to this Agreement and all aspects of the parties' business relationships (this requirement also applies to each Controlling Principal).

11. DEFAULT AND TERMINATION.

Developer shall be in default if Developer:

(a) fails to sign an approved lease for any Restaurant in compliance with Sections 3 and 6 on or before its Lease Execution Date (taking into account any extension of that date that Developer obtains under Section 7(a) or 7(c));

(b) signs a lease without express written authorization from Company or otherwise proceeds with a Restaurant's development before signing a Franchise Agreement or paying the franchise fee for the Restaurant;

(c) fails to open any Restaurant in compliance with Sections 3 and 6 on or before its Scheduled Opening Date (taking into account any extension of that date that Developer obtains under Sections 4 and 7(a) or 7(c));

(d) without Company's express prior written permission, fails to have open and operating in the Development Area the cumulative total number of Restaurants indicated in the "Required # of Operating Restaurants" column of Exhibit B as of the Scheduled Opening Date of any Restaurant (taking into account any extension of a particular Restaurant's Scheduled Opening Date that Developer obtains under Sections 4 and 7(a) or 7(c));

(e) allows an Event of Default to occur under any Franchise Agreement (i) that is not cured by the end of the related remedial period provided in the Franchise Agreement or (ii) that is not curable under the Franchise Agreement;

(f) attempts to assign, transfer, or sell, without Company's approval, any development or franchise purchase rights under this Agreement, or allows a transfer of its ownership interests to be made, in contravention of Section 12;

(g) offers or issues any securities of Developer after the Effective Date that would constitute a Controlling Ownership Interest in Developer; becomes insolvent by reason of its inability to pay its debts as they mature; files a petition in bankruptcy or reorganization or a similar proceeding; if suit is filed to foreclose any lien or mortgage against Developer's assets; or requests any appointment of a receiver or makes a general assignment for the benefit of creditors;

(h) makes any unauthorized use or disclosure of Company's Confidential Information or the Marks or materially impairs the goodwill associated therewith;

(i) enters negotiations to lease or obtains an option to lease a site for a Restaurant located outside the Development Area, except pursuant to another effective development agreement between Company and Developer;

(j) makes any material misstatement or omission in its application or in any other written information provided to Company; or

(k) is convicted of, or pleads no contest to, a felony or other crime or offense that Company reasonably believes may adversely affect the goodwill associated with the Marks.

If an Event of Default occurs, Company may, at its option and sole discretion, (i) eliminate all protected aspects of Developer's right to develop Restaurants in the Development Area (in which case Company may engage and allow other franchisees or licensees to engage in such activities), (ii) decrease the number of Restaurants to be developed according to the development schedule, (iii) reduce the size of the Development Area, and/or (iv) terminate all of Developer's rights under this Development Agreement, in all cases by giving Developer written notice of Company's election, which may or may not offer an opportunity to cure. Company may choose the option or options it prefers. Termination of this Agreement will not affect the status of any Franchise Agreement then in effect between Company and Developer.

12. PROHIBITION AGAINST ASSIGNMENT.

(a) Except as permitted in Sections 12(b), 12(c), and 12(e), Developer may not assign or otherwise transfer any of the option, development or franchise purchase rights or any of the obligations under this Agreement, either contractually or by operation of law, and there may be no transfer of, or offers or issuances of securities representing, a Controlling Ownership Interest in Developer. Developer expressly acknowledges and agrees that Company does not permit its franchisee/developers to subfranchise Wingstop restaurants or to partition or sell undeveloped territory.

(b) If Developer is a Business Entity, Company hereby consents to offers, issuances, assignments, and transfers of ownership interests in Developer that are not Controlling Ownership Interests in Developer. There may be no transfer or assignment of, or offers or issuances of securities representing, a Controlling Ownership Interest in Developer without Company's prior written consent, which Company may grant or withhold as it deems best.

(c) The rights of an individual Developer, or the ownership interests in a Developer that is a Business Entity, may be devised by will or distributed to the individual Developer's or Principal's heirs pursuant to the laws of descent and distribution if such heirs satisfy Company's then current standards for developers and receive Company's prior written approval.

(d) No offers, issuances, assignments, or transfers of securities, or other proposed or effected transfers or assignments, in contravention of this Section 12 will be binding on Company, and Company will not be obligated to issue any Franchise Agreement under Section 3 or Section 6 in the name of any person or business entity other than Developer or a person to whom an individual Developer's rights are devised or distributed in accordance with Section 12(c).

(e) If Developer's owners desire to establish a new legal entity to operate one or more of the Restaurants to be developed pursuant to this Agreement (if Sections 5, 6, and 7 of this Agreement apply) and that new legal entity's ownership is completely identical to Developer's ownership, Company will automatically approve that legal entity to operate the Restaurant(s) on the condition that Developer gives Company the information Company requests regarding such entity. However, if the proposed new legal entity's ownership is not completely identical to Developer's ownership, Developer first must seek Company's approval for that new entity to operate the proposed Restaurant(s) as an approved Affiliate. Company may refuse any such request if (i) Developer and/or its owners do not own and control at least

seventy-five percent (75%) of the new entity's ownership interests and retain management control of the Restaurant(s) proposed to be owned by the new entity or (ii) the remaining owners do not satisfy Company's then current standards for Wingstop Restaurant franchisees. Developer must give Company the information Company requests regarding the proposed entity and its other owners. In all cases, Developer must continue to ensure that all of this Agreement's terms are fully satisfied and is fully responsible for any and all defaults under this Agreement, whether committed by Developer or any other legal entity approved by Company to develop the Restaurants scheduled under this Agreement.

13. NOTICES.

All notices required or permitted under this Agreement must be in writing and will be deemed delivered when deposited either with the United States Postal Service, first class postage prepaid, certified mail, return receipt requested, or with an overnight delivery service for next business day delivery with proof of delivery, and addressed as follows:

If to Company, to:	Wingstop Restaurants Inc. 1101 E. Arapaho Road, Suite 150 Richardson, Texas 75081 Attention: President
If to Developer, to:	_____ _____ _____

Either party may change its address for notices by written notice to the other given in accordance with this Section 13.

14. STATUS OF PARTIES; REPRESENTATIONS AND WARRANTIES.

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a franchise, partnership, joint venture, agency, employment, personal services or similar relationship between Company and Developer. No representation to the contrary shall be binding upon Company.

(a) Developer covenants and agrees that, during the term of this Agreement and for two years after its expiration or termination, Developer shall not have any ownership interest in or perform services in any capacity for any quick service food business that serves chicken pieces, chicken strips, or chicken wings as a primary menu item, except as a franchisee of Company. "Primary" means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.

(b) During the term of this Agreement, Developer's covenant not to compete will apply universally; for the two-year period after this Agreement expires or is terminated, Developer's covenant will apply in the Development Area and in each DMA in which a Company-owned or franchised Restaurant is then operating or under development. For purposes of calculating the duration of the two-year period, any time during which Developer is in violation or breach of the covenant shall be excluded.

(c) Developer acknowledges that Developer's covenant not to compete is reasonable and necessary to protect the business and goodwill of the Wingstop franchise system and to avoid misappropriation or other unauthorized use of the System and Company's other Trade Secrets.

15. LAW GOVERNING; ARBITRATION OF DISPUTES.

(a) ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE ARBITRATION ACT. EXCEPT TO THE EXTENT GOVERNED BY THE ARBITRATION ACT OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN COMPANY AND DEVELOPER SHALL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICT OF LAW RULES SHALL NOT APPLY, AND ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

(b) Developer and Company agree that, except as provided below in this Section 15(b), all controversies, disputes, or claims between Company and its Affiliates, and their respective owners, officers, directors, agents and/or employees, and Developer (and/or its owners, guarantors, Affiliates and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between Developer and Company;
- (2) Company's relationship with Developer; or
- (3) the scope or validity of this Agreement or any other agreement between Developer and Company (including the validity and scope of the arbitration obligation under this Section, which Company and Developer acknowledge is to be determined by an arbitrator and not by a court);

must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section 15(b) otherwise provides, according to the AAA's then current commercial arbitration rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within ten (10) miles of Company's then current principal business address. All matters relating to arbitration will be governed by the Arbitration Act. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief that he or she deems proper, including, without limitation, money damages, specific performance, injunctive relief, and attorneys' fees and costs for Company (consistent with Company's rights under Section 16(e)), provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 16(f), award any exemplary, punitive, treble, or other forms of multiple damages against the other (Developer and Company hereby waive to the fullest extent the law permits, except as expressly provided in Section 16(f), any right to or claim for any exemplary, punitive, treble, or other forms of multiple damages against the other).

Developer and Company will be bound by the provisions of any limitation on the time period in which claims must be brought under applicable law or this Agreement, whichever expires earlier. In any arbitration proceeding, each party must submit or file any claim constituting a compulsory counterclaim (as defined by the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers made by either party. Company reserves the right, but has no obligation, to advance Developer's share of the costs (excluding attorneys' fees) of any

arbitration proceeding in order for the proceeding to take place and by doing so is not deemed to have waived or relinquished its right to seek the recovery of these costs under Section 16(e).

Developer and Company agree that arbitration will be conducted on an individual basis, and not on a joint, collective, or class-wide basis, and that an arbitration proceeding between Company and its Affiliates, and their respective owners, officers, directors, agents and/or employees, and Developer (and/or its owners, guarantors, Affiliates and/or employees) may not be consolidated or joined with any other arbitration proceeding between Company and any other person. Despite the foregoing or anything to the contrary contained in this Section 15(b), if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, all parties agree that this arbitration clause will not apply to that dispute and the dispute will be resolved in a judicial proceeding in a court permitted under Section 15(c) of this Agreement.

Despite Developer's and Company's agreement to arbitrate provided above, Company and Developer agree that Company has no obligation whatsoever to arbitrate the following disputes: (i) disputes that arise under or are related to the Lanham Act, as now or later amended; (ii) disputes that otherwise relate to the ownership or validity of any of the Marks; (iii) disputes that involve enforcement of Company's intellectual property rights, including, but not limited to, Company's Confidential Information and Trade Secrets; or (iv) disputes related to Company's enforcement of the covenants not to compete in Section 14. Company may enforce its rights in the disputes described in clauses (i) through (iv) exclusively in court.

With respect to the matters subject to, and not excepted from, the parties' agreement to arbitrate specified in this Section 15(b), each party has the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, that each must contemporaneously submit its dispute for arbitration on the merits as provided in this Section. This Section's provisions are intended to benefit and bind certain third-party non-signatories and continue in full force and effect after and notwithstanding this Agreement's expiration or termination.

(c) SUBJECT TO (b) ABOVE AND THE PROVISIONS BELOW, DEVELOPER AND ITS OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN DEVELOPER AND COMPANY MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO COMPANY'S THEN CURRENT PRINCIPAL BUSINESS ADDRESS, AND DEVELOPER (AND EACH OWNER) IRREVOCABLY SUBMITS TO THE JURISDICTION OF THOSE COURTS AND WAIVES ANY OBJECTION IT (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, DEVELOPER AND ITS OWNERS AGREE THAT COMPANY MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE IN WHICH DEVELOPER'S DEVELOPMENT AREA IS LOCATED.

16. MISCELLANEOUS.

(a) Definition of Terms. The terms used in this Agreement, unless otherwise defined, are also listed in the Glossary of Terms attached hereto and made a part hereof.

(b) Binding Effect. This Agreement may not be amended or modified except by a written agreement executed by Company and Developer, although Company may modify the Operations Manual and System as it deems best.

(c) Time is of Essence. Time is of the essence of this Agreement; Developer's compliance with the deadlines stated in this Agreement is vitally important.

(d) No Liability of Other Parties for Company Acts. Developer acknowledges and agrees that no past, present, or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, Affiliate, controlling party, entity under common control, ownership, or membership, vendor, service provider, agent, attorney, or representative of Company shall have any liability for (i) any of Company's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Company based on, in respect of, or by reason of the relationship between Developer and Company, or (iii) any claim against Company based on any alleged unlawful act or omission.

(e) Costs and Attorneys' Fees. If Company incurs costs and expenses (internal and external) to enforce its rights or Developer's obligations under this Agreement because Developer has failed to comply with this Agreement, Developer agrees to reimburse Company for all costs and expenses Company incurs, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Developer's obligation to reimburse Company arises whether or not Company begins a formal legal proceeding against Developer to enforce this Agreement. If Company does begin a formal legal proceeding against Developer to enforce this Agreement, the reimbursement obligation applies to all costs and expenses Company incurs preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).

(f) Waiver of Exemplary Damages and Jury Trial. EXCEPT FOR CLAIMS COMPANY ASSERTS AGAINST DEVELOPER FOR VIOLATION OR INFRINGEMENT OF ANY OF COMPANY'S INTELLECTUAL PROPERTY RIGHTS, COMPANY AND DEVELOPER (AND ITS OWNERS) WAIVE TO THE FULLEST EXTENT THE LAW PERMITS ANY RIGHT TO OR CLAIM FOR ANY EXEMPLARY, PUNITIVE, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IF THERE IS A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. COMPANY AND DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

(g) Limitation of Claims. Any and all claims arising out of or relating to this Agreement will be barred unless a proceeding (in the required forum) is commenced within two (2) years from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

17. DEVELOPER'S ACKNOWLEDGMENTS.

(a) Developer acknowledges and agrees that this Agreement, together with any duly signed amendment or addendum attached to this Agreement, contains the entire agreement between the parties with respect to Developer's rights to develop and acquire franchises for Restaurants in the Development Area, and that this Agreement supersedes any prior or contemporaneous agreements between the parties, written or oral, with respect to those development and franchise acquisition rights.

_____ **[DEVELOPER'S INITIALS]**

(b) Developer confirms and acknowledges that, except as provided in Company's Franchise Disclosure Document and this Agreement, no written or oral agreements, promises, commitments, undertakings or understandings concerning Developer's development or franchise acquisition rights were made to or with Developer that are not expressly stated in this Agreement or any duly signed amendment

or addendum and that, except as provided in Company's Franchise Disclosure Document and this Agreement, no written or oral representations were made by Company to Developer concerning Developer's development or franchise acquisition rights.

_____ [DEVELOPER'S INITIALS]

(c) Developer acknowledges (i) that this Agreement is not a franchise agreement and that it provides Developer neither a license to use the Wingstop trade name or service mark nor any right to operate a Restaurant, (ii) that Developer's rights under this Agreement are solely contractual and that no property rights are granted in or with respect to the Development Area, and (iii) that until a Franchise Agreement for a particular Restaurant location is issued in accordance with this Agreement, Developer will not have or be entitled to exercise any of the rights or privileges of a Wingstop franchisee at or with respect to that location.

_____ [DEVELOPER'S INITIALS]

(d) DEVELOPER ACKNOWLEDGES THAT THE WRITTEN AUTHORIZATIONS CONTEMPLATED BY THIS AGREEMENT WILL BE VALID ONLY IF SIGNED BY COMPANY'S PRESIDENT. DEVELOPER MAY NOT RELY ON VERBAL OR WRITTEN APPROVALS FROM ANY EMPLOYEE BELOW THE RANK OF PRESIDENT OR FROM ANY AGENT WHO MIGHT REPRESENT COMPANY IN THE FIELD. DEVELOPER ASSUMES FULL RISK AND FINANCIAL RESPONSIBILITY FOR SIGNING A LEASE WITHOUT COMPANY'S PRIOR WRITTEN AUTHORIZATION, INCLUDING THE RISK THAT COMPANY MAY TERMINATE THIS AGREEMENT UNDER SECTION 11(b) ON ACCOUNT OF AN UNAUTHORIZED LEASE SIGNING. COMPANY WILL HAVE NO OBLIGATION TO ISSUE A FRANCHISE FOR A RESTAURANT UNLESS AND UNTIL DEVELOPER COMPLIES FULLY WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 3(b) AND 6.

_____ [DEVELOPER'S INITIALS]

(e) Company will assign a unique Restaurant Number to each Restaurant upon execution of the Franchise Agreement for that particular Restaurant. Company has instructed the vendors with whom Company's franchisees do business not to accept work orders or purchase orders for a Restaurant that is not properly identified by Restaurant Number. Developer acknowledges that Developer will be unable to order furniture, fixtures, equipment, signs and inventory for any Restaurant before a Restaurant Number for that particular Restaurant has been assigned.

_____ [DEVELOPER'S INITIALS]

(f) Developer acknowledges that all amounts payable under Section 8 represent fees, not deposits, and that none of those fees are refundable in whole or in part under any circumstances.

_____ [DEVELOPER'S INITIALS]

(g) Developer acknowledges and agrees that, by evaluating and accepting a particular Restaurant location, providing any other site selection assistance to Developer, or authorizing Developer to negotiate or sign a Restaurant lease, Company does not guarantee the suitability of any site for the operation of a Restaurant or warrant that Developer can profitably operate a Restaurant at any location that Company accepts. Company disclaims (and Developer recognizes and accepts Company's disclaimer

of) any warranties, express or implied, with respect to the suitability or profit potential of any site Developer selects for a Restaurant.

_____ [DEVELOPER'S INITIALS]

(h) DEVELOPER ACKNOWLEDGES AND AFFIRMS THAT NEITHER DEVELOPER NOR ANY OF ITS PRINCIPALS HAVE MADE ANY UNTRUE STATEMENT OF ANY MATERIAL FACT OR OMITTED TO STATE ANY MATERIAL FACT IN ITS APPLICATION OR ANY OTHER WRITTEN INFORMATION IN OBTAINING THE RIGHTS GRANTED HEREUNDER. NEITHER DEVELOPER NOR ANY OF ITS PRINCIPALS HAS ANY DIRECT OR INDIRECT LEGAL OR BENEFICIAL INTEREST IN ANY BUSINESS THAT MAY BE DEEMED A COMPETITIVE BUSINESS, EXCEPT AS OTHERWISE COMPLETELY AND ACCURATELY DISCLOSED IN DEVELOPER'S APPLICATION. THE EXECUTION AND PERFORMANCE OF THIS AGREEMENT WILL NOT VIOLATE ANY OTHER AGREEMENT TO WHICH DEVELOPER OR ANY OF ITS PRINCIPALS MAY BE BOUND. DEVELOPER RECOGNIZES THAT COMPANY HAS EXECUTED THIS AGREEMENT IN RELIANCE ON ALL OF THE STATEMENTS DEVELOPER AND ITS PRINCIPALS HAVE MADE IN THE APPLICATION AND ANY OTHER WRITTEN INFORMATION.

_____ [DEVELOPER'S INITIALS]

WINGSTOP RESTAURANTS INC.

DEVELOPER

By: _____

Signature, if an individual

Name: _____

Developer's name, printed

Title: _____

Date: _____ *

Date: _____

(Corporate, limited liability company and partnership)

By: _____

Name: _____

Title: _____

Date: _____

*Considered the Effective Date of this Agreement for all purposes

The Option Expiration Date is _____

EXHIBIT A

DESCRIPTION OF DEVELOPMENT AREA

The Development Area is the geographical area described as follows and which may be more specifically shown on a map attached to this Exhibit A, if available. However, if there is any inconsistency between the narrative description below and an attached map, the narrative description controls.

All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

Despite the description above, the Development Area shall in all cases be deemed to exclude any and all Non-Traditional Venues physically located within the Development Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Development Area, Developer may not operate at such Non-Traditional Venues, and there are no restrictions whatsoever on Company’s activities in or at those Non-Traditional Venues, including, but not limited to, its right to operate and grant others the right to engage in foodservice operations under the Marks at such Non-Traditional Venues.

WINGSTOP RESTAURANTS INC.

DEVELOPER

By: _____

Signature, if an individual

Name: _____

Developer’s name, printed

Title: _____

Date: _____

Date: _____

(Corporate, limited liability company and partnership)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B
DEVELOPMENT SCHEDULE

<u>STORE #</u>	<u>LEASE EXECUTION DATE</u>	<u>SCHEDULED OPENING DATE</u>	<u>REQUIRED # OF OPERATING STORES</u>
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WINGSTOP RESTAURANTS INC.

DEVELOPER

By: _____

Signature, if an individual

Name: _____

Developer's name, printed

Title: _____

Date: _____

Date: _____

(Corporate, limited liability company and partnership)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C

BUSINESS ENTITY INFORMATION

This form must be completed if this Development Agreement has more than one owner or if Developer is owned by a business organization (a corporation, partnership, limited liability company or similar entity). This form must also be re-executed and sent to Company whenever there is any permitted change in ownership.

1. **Form of Owner.** Is a (check one):

- (a) General Partnership
- (b) Corporation
- (c) Limited Partnership
- (d) Limited Liability Company
- (e) Other, Specify _____

2. **Business Entity.** Developer was incorporated or formed on _____, 20__ under the laws of the State of _____. Developer has not conducted business in any name other than Developer’s business entity name and _____.

3. **Business Entity Owners.** The following list includes the full name and mailing address of each person who is an owner of Developer (stockholders, partners or members (if a limited liability company)) and the nature of each owner’s position and ownership interest in Developer.

Owner’s Name and Address	Description of Interest	Ownership %

4. **Controlling Principal.** Provide the name, position and ownership interest of each Controlling Principal as of the date of this Development Agreement.

Principal’s Name and Address	Position Held in Entity	Ownership %

5. **Governing Documents.** Developer must attach copies of articles of incorporation or organization and partnership, shareholder, or member agreements (the “Charter Documents”).

6. **Representation.** Developer represents and warrants that the information provided in this form is true, accurate and complete and that Wingstop Restaurants Inc. may consider this statement as continuing to be true, accurate and correct until a written notice of change in ownership and/or in the Principal status is given to Wingstop Restaurants Inc. by Developer.

7. THIS DEVELOPMENT AGREEMENT AND SYSTEM OF BUSINESS REQUIRE THAT THE DEVELOPER BE UNDER THE DAILY CONTROL AND DIRECT SUPERVISION OF A CONTROLLING PRINCIPAL AND FAILURE TO COMPLY CONSTITUTES A MATERIAL DEFAULT OF THIS DEVELOPMENT AGREEMENT.

OWNER:

INDIVIDUALS:

Signature – Owner #1

Print Name – Owner #1

Signature – Owner #2

Print Name – Owner #2

Signature – Owner #3

Print Name – Owner #3

ENTITY:

Signature

Print Name

Title

EXHIBIT D

INVESTOR CONFIDENTIALITY AGREEMENT

This Investor Confidentiality Agreement (“Agreement”) is made and entered into as of _____, 20__, by and between Wingstop Restaurants Inc., a Texas corporation (“we,” “us,” or “our”) and _____ (“you” or “your”).

PREAMBLES

We and you intend to enter into a Development Agreement. As part of our and your relationship, we will allow you to gain access to certain of our Confidential Information (defined below). Before allowing you and your personnel to have access to the Confidential Information, we require that you sign this Agreement.

DEFINITION

The term “Confidential Information” as used in this Agreement means our methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques, and knowledge and experience in the development, operation, and franchising of Wingstop Restaurants that is disclosed to you or your personnel or that you and your personnel learn in connection with your and their dealings with us.

PROTECTION OF CONFIDENTIAL INFORMATION

You acknowledge and agree that neither you nor your personnel, nor any other person or entity, will acquire any interest in or right to use the Confidential Information under this Agreement. You further acknowledge and agree that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any of your other business activities, would be detrimental to us, cause us substantial and irreparable harm, and constitute a breach of your obligations of confidentiality and an unfair method of competition with us.

You acknowledge that the Confidential Information is our property, involves our trade secrets, and will be disclosed to you solely on the condition that you agree, and you hereby do agree, that you will: (1) not use the Confidential Information other than to the extent necessary to perform your obligations to us under a Development Agreement or any Franchise Agreement signed under that particular Development Agreement; (2) maintain the absolute confidentiality of the Confidential Information; (3) not make unauthorized copies of any records (in written, electronic, or other form) disclosing the Confidential Information; and (4) adopt and implement reasonable procedures to prevent disclosure of the Confidential Information, including, but not limited to, restricting its disclosure to employees and using nondisclosure agreements with employees who have access to the Confidential Information.

SURRENDER OF DOCUMENTS

You agree that, after you have completed all development requirements, you shall immediately return to us (or, at our option, destroy) all copies of the Confidential Information made available to you or your personnel in written, electronic, or other tangible form.

COSTS AND ATTORNEYS' FEES

In the event that we are required to engage legal counsel to secure the performance of your obligations under this Agreement, you must promptly reimburse us for all costs and expenses that we incur, including, without limitation, our reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses, whether incurred prior to, in preparation of, in contemplation of, or in connection with any trial or administrative proceeding or on appeal.

SEVERABILITY

If any provision of this Agreement is held for any reason to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto.

GOVERNING LAW

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of Texas, without regard to its conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written.

WINGSTOP RESTAURANTS INC., a Texas corporation

By: _____
Print Name: _____
Title: _____

[Name]

or, if a business entity:

[_____] _____
[Name of Business Entity]

By: _____
Print Name: _____
Title: _____

EXHIBIT E

LEASE RIDER

This Lease Rider ("Rider") is entered into this _____ day of _____, 20__ by and between _____ ("Tenant") and _____ ("Landlord") and supplements and forms a part of the lease agreement (the "Lease") between Landlord and Tenant for the premises located at _____ (the "Premises"). In the event of a conflict between the provisions of the Lease and the provisions of this Rider, the provisions of this Rider shall control.

1. Landlord and Tenant acknowledge and agree that this Rider is entered into in connection with, and as a condition to, the grant of a franchise by Wingstop Restaurants Inc. ("Wingstop") to Tenant in accordance with the terms of a franchise agreement (the "Franchise Agreement"), granting Tenant the right to operate the Premises as a Wingstop restaurant. As such, Landlord and Tenant acknowledge and agree that Wingstop is an intended third-party beneficiary of this Rider with an independent right to enforce any and all of its terms.

2. Subject to applicable zoning laws and restrictions of record, Landlord consents to Tenant's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Wingstop system as Wingstop may from time to time prescribe for the restaurant.

3. Landlord agrees to furnish Wingstop with copies of all notices of default or alleged default and all notices of termination that it sends to Tenant pertaining to the Lease and the Premises at the same time it sends such notices to Tenant. Such notices shall be sent to 1101 East Arapaho Road, Suite 150, Richardson, TX 75081, Attn: Vice President of Development, or to such other address provided to Landlord in writing.

4. Wingstop shall have the right to enter the Premises at any time and from time to time (i) to make any repairs, alterations, or removals it considers reasonably necessary to protect the Wingstop system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, and (iii) to remove the distinctive elements of the Wingstop trade dress upon the expiration or termination of the Franchise Agreement. Wingstop shall repair, or reimburse Landlord for the reasonable cost to repair, any damage to the walls, floor or ceiling of the Premises that results from Wingstop's removal of trade dress items and other property from the Premises.

5. In the event of a default by Tenant under the Lease which entitles Landlord to terminate the Lease, Landlord shall provide notice to Wingstop of such default and Landlord's intent to terminate the Lease ("Landlord's Notice"). At Wingstop's option, Landlord agrees to enter into a new lease (the "New Lease") with Wingstop, as tenant, under the same terms as the Lease except that the term of such New Lease shall be the remaining balance of the term of the Lease (as the same may have been extended). Should Wingstop elect to enter into such New Lease, Wingstop shall provide written notice of such election to Landlord within sixty (60) days after receipt of Landlord's Notice. During that sixty (60) day period, Landlord agrees that Wingstop may possess the Premises, to the exclusion of Tenant, in order to operate the restaurant, assess the restaurant's condition, and determine whether Wingstop desires to enter

into the New Lease. Tenant acknowledges that Wingstop may possess the Premises in these circumstances and take whatever action is necessary, with or without Landlord's assistance, to enforce Tenant's compliance. Landlord agrees reasonably to cooperate and not to interfere with Wingstop's exercise of these rights. While Wingstop possesses the Premises for up to sixty (60) days, it will pay Landlord all pro-rated rent and other charges arising under the Lease during its possession. However, Wingstop shall not be required to cure any monetary default of Tenant under the Lease before Wingstop takes possession or as a condition of signing a New Lease.

6. Tenant shall be permitted to assign the Lease to Wingstop upon the expiration or termination of the Franchise Agreement and/or allow Wingstop to possess the Premises as described above. Further, Wingstop shall be permitted to assign the Lease or the New Lease to a person, firm or corporation (including, but not limited to, another franchisee of Wingstop), provided that such person, firm, or corporation has the same or greater financial strength as Tenant had at the time of execution of the Lease. Landlord consents to the foregoing assignments and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease or the New Lease, in connection with such an assignment. In the event of any assignment contemplated under this paragraph 6, Wingstop shall have no further liability under the Lease or the New Lease (as applicable) from and after the effective date of such assignment. Under no circumstances will Wingstop be required to cure any monetary default of Tenant under the Lease in order to receive an assignment of the Lease from Tenant upon the expiration or termination of the Franchise Agreement or to assign the Lease or sign a New Lease.

7. Landlord acknowledges that Wingstop is not a party to the Lease and shall have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Wingstop in accordance with the terms of this Rider.

IN WITNESS WHEREOF, the parties have executed this Rider of the date first above written.

<p><u>LANDLORD:</u></p> <p>_____, a</p> <p>_____</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p><u>TENANT:</u></p> <p>_____, a</p> <p>_____</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
---	---



EXHIBIT F
ACKNOWLEDGEMENT OF RECEIPT
OF FRANCHISE-RELATED DOCUMENTS

For the Development Agreement for the following area: _____

The undersigned, personally and/or as an officer, managing member or partner of the proposed franchise owner, does hereby acknowledge receipt of the following documents, in form for execution, relating to the franchise of Wingstop Restaurants Inc.:

- (1) Development Agreement
- (2) Rider to Development Agreement for State of _____
- (3) Franchise Agreement
- (4) Rider to Franchise Agreement for State of _____
- (7) Other (specify): _____

I further acknowledge my understanding that it is my responsibility, individually and/or as an officer, managing member or partner of the proposed franchise owner, to review all of these documents so that I am fully familiar with the transaction they contemplate before signing them.

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE YOU WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN (7) CALENDAR DAYS BEFORE YOU SIGN THEM IF WE HAVE MADE ANY UNILATERAL, MATERIAL CHANGES IN THE VERSIONS OF THESE DOCUMENTS INCLUDED AS EXHIBITS IN OUR FRANCHISE DISCLOSURE DOCUMENT. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL SEVEN (7) CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT, EXCLUDING THE DELIVERY AND SIGNING DATES.

DATED: _____

BY: _____

NAME: _____

TITLE: _____

ADDRESS: _____

EXHIBIT C

FRANCHISE AGREEMENT

Exhibit C-1

WINGSTOP RESTAURANTS INC.

**FRANCHISE AGREEMENT
FOR A
WINGSTOP RESTAURANT**

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GLOSSARY OF TERMS

The following terms are used in this Franchise Agreement (“Agreement”) with the meanings assigned in this Glossary.

AAA means the American Arbitration Association.

Ad Fund means a separate and segregated advertising fund established by Company for the purpose of enhancing the goodwill and public image of the Wingstop franchise system through advertising and promotions.

Affiliate means a Person that controls, is controlled by, or is under common control with another Person by virtue of equity ownership, contract, or other means.

Approved Vendors means those vendors who meet Company’s standards and have entered into contractual agreements with Company to provide specific standard items.

Arbitration Act means the United States Arbitration Act, currently codified at 9 U.S.C. §§ 1 *et seq.*

Area Cooperative means a cooperative advertising association formed by at least two owners of Restaurants located in certain DMAs for the purpose of jointly advertising and promoting their Restaurants.

Assistant Manager means that individual who has completed Company’s training program and is designated by Franchisee, has knowledge of the Restaurant’s day-to-day operations and Company’s Restaurant procedures and guidelines for operations, and is actively involved with the actual calculation of the cost of sales, labor, inventory, purchasing, profit and loss statements, opening and closing. The Assistant Manager must also work a minimum of 40 hours per week at his or her assigned Restaurant and must be Food Handler Certified and certified by the applicable alcoholic beverage control board of the jurisdiction in which the Restaurant is located. All Assistant Managers must be individuals who are employed directly by Franchisee. Franchisee may not enter into a contract with any non-employee individual or Business Entity for any aspect of the Restaurant’s management.

Business Entity means a corporation, general or limited partnership, or limited liability company.

Catering means the at-Restaurant preparation of the standard menu items and delivery of those items, either in prepackaged portions or in bulk, to commercial accounts. Catering may or may not include on-site set up, food service and/or clean up.

Charter Documents means a corporation’s articles of incorporation, by-laws and shareholders agreement (if any); a partnership’s partnership agreement and, in the case of a limited partnership, its articles of limited partnership; a limited liability company’s articles of association and regulations or operating agreement; and comparable governing documents of any other type of business entity.

Company means Wingstop Restaurants Inc.

Confidential Information means any records, contracts, correspondence, customer lists, addresses or similar items regarding customers, prospective customers, or sales operations of the Company, marketing plans, marketing information, prices, recipes, formulae, operating systems, suppliers or similar information with respect to products or services of Company, and such other information about Company and its business as may reasonably be construed to be confidential or proprietary to Company.

Controlling Ownership Interest in Franchisee means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Franchisee, the determination of whether a Controlling Ownership Interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a Controlling Ownership Interest will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). In making the determination, Company also may consider all previous transfers of ownership interests to assess whether, in the aggregate, there has been or would be the transfer of a Controlling Ownership Interest.

Controlling Principal(s) means, if Franchisee is a Business Entity, any Person with a five percent (5%) or greater equity interest in Franchisee. Each Controlling Principal will be individually bound by all of the obligations in this Agreement, including payment obligations and covenants concerning confidentiality and noncompetition, and will personally guarantee Franchisee's performance under this Agreement by signing the Guaranty attached to this Agreement. No Controlling Principal may, within the time periods specified in this Agreement, hold an ownership interest in or perform services in any capacity for any other quick service food business in which chicken pieces, chicken strips, or chicken wings are featured as a primary menu item. "Primary" means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.

Convention means the Company's annual convention.

Copyrighted Materials refers to and includes all versions, variations and adaptations of the following materials in tangible form, whether produced by Company, produced on its behalf as works for hire, or derived from works produced by or on behalf of Company: (i) all manuals used in a Restaurant's development, operation and marketing activities, including, but not limited to, the Operations Manual; (ii) training materials (including printed, audio, video or electronic materials); (iii) Restaurant plans and specifications that are works for hire; (iv) menu board designs and graphics; (v) product identification posters and photographs; (vi) advertising and marketing materials; (vii) labels, forms and reports provided by Company; (viii) any computer software developed by Company or as works for hire for use in the operation of Restaurants; and (ix) any other materials protected by copyright law or marked or identified by Company as protected by copyright.

Delivery Service means the delivery of food and beverages in prepackaged portions to residential customers. Delivery service does not include on-site set up, food service, or clean up.

Designated Principal means, if Franchisee is a Business Entity, that Principal who will be individually bound by certain obligations in this Agreement, including covenants concerning confidentiality and noncompetition, and will be the designated operator who will oversee and supervise the Restaurant's management and operation. There may be more than one Designated Principal. No Designated Principal may, within the time periods specified in this Agreement, hold an ownership interest in or perform services in any capacity for any other quick service food business in which chicken pieces, chicken strips, or chicken wings are featured as a primary menu item. "Primary" means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings.

Development Agreement means the Development Agreement between Company and Franchisee under which Franchisee undertook the Restaurant's development.

DMA means Designated Market Area, an advertising term that Neilson Rating Service uses to demarcate the primary coverage of broadcast and print media in given markets. The boundaries of a particular DMA will be determined by reference to television coverage.

Effective Date means the date Company signs this Agreement, as indicated in its signature block.

Event of Default means failure to meet those contractual obligations as stated in, but not limited to, Section 16 of this Agreement and the consequences and cures of same.

Franchisee means that Person listed on the first page of this Agreement, including the plural as well as the singular and masculine and feminine genders.

Franchise Disclosure Document means the most recently-issued disclosure document of Wingstop Restaurants Inc.

General Manager means an individual who has completed Company's training program and is designated by Franchisee to supervise and manage all aspects of the Restaurant's day-to-day operations, including, but not limited to, knowledge of and actively involved with the actual calculation of the cost of sales, labor, inventory, purchasing, and profit and loss statements, and with whom Company and its staff may deal exclusively for purposes of administering and coordinating the franchise relationship. The General Manager must also work a minimum of 40 hours per week at his or her assigned Restaurant, may or may not be the Franchisee of the Restaurant or the Designated Principal, and must be Food Handler Certified and certified by the applicable alcoholic beverage control board of the jurisdiction in which the Restaurant is located. Franchisee's first General Manager is identified beneath the signature block of this Agreement. All General Managers must be individuals who are employed directly by Franchisee. Franchisee may not enter into a contract with any non-employee individual or Business Entity for any aspect of the Restaurant's management.

Gross Sales means the aggregate revenues the Restaurant receives from the sale of, or the provision of services with respect to, food, beverages, other menu items and other merchandise, whether for cash or on credit, less (i) applicable sales taxes Franchisee collects and remits to the appropriate tax authority, (ii) valid coupon credits and employee discounts deducted from revenues initially recorded as Gross Sales, and (iii) revenue Franchisee derives from selling or issuing Wingstop gift or loyalty cards (although revenue Franchisee derives from selling products and services to customers using those cards for payment is included in Gross Sales), but without deduction of any other costs or expenses whatsoever.

Guaranty means that form of document in substantially similar form as found in Exhibit F to this Agreement.

Indemnified Matter means any claim, demand, inquiry, investigation or proceeding.

Indemnified Parties means Company, Company's Affiliates and their respective officers, directors, owners, employees, agents, successors and assigns.

Information System means electronic systems an operator uses to collect, compute, store and report a Restaurant's Gross Sales, other financial data and operating information, such as cash registers, computers, peripheral equipment and related software programs.

Internet means the world wide web.

Internet Website means a website on the world wide web that provides information about the Wingstop concept and the products and services that Restaurants offer.

Intranet/Intranet Website means an Intranet network that Company designs and administers for the Wingstop restaurant chain through which members of the Wingstop network of Restaurants may

communicate with each other and through which Company may disseminate updates to the Operations Manual and other Confidential Information. Company will have no obligation to maintain the Intranet indefinitely, but may dismantle it at any time without liability to Franchisee.

LAM Report means local area marketing report made by Franchisee to Company.

Mall means an assembly of retail establishments housed in a structure that encloses more than 250,000 square feet of floor space (including common areas) under a single roof.

Marks refers to and includes (i) the Wingstop service mark and logo, (ii) the Wingstop trade name, (iii) the elements and components of a Restaurant's Trade Dress, and (iv) any and all additional or different trade names, trademarks, service marks, logos and slogans that Company adopts to identify the Wingstop franchise system and the products and services Restaurants offer.

Non-Traditional Venue means a hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, or theater.

Opening Restaurant Trainer means a person designated by Company that may assist Franchisee in training its staff and ensuring that all staff members are working in accordance with the operating system prior to and after the opening of the Restaurant.

Operations Manual means and collectively includes all manuals, policy statements, directives, bulletins and memoranda, as revised from time to time, that contain prescribed or recommended specifications, standards, procedures, policies and advice relating to a Restaurant's operation and management and to marketing the products Restaurants serve. The Operations Manual discloses the principal elements of Company's proprietary System, and its contents are and shall remain Company's exclusive property.

Person means an individual or a Business Entity.

Principal means any Person with an ownership interest in Franchisee, if Franchisee is a Business Entity. A Principal includes a Controlling Principal and a Designated Principal. A Principal with access to Trade Secrets and other Confidential Information must agree to be bound by certain covenants concerning confidentiality, even if that Principal is not a Controlling Principal or Designated Principal.

QSC Inspections means physical, on-site inspections of a Restaurant to determine the degree to which its operation satisfies Company's quality, service, operations and cleanliness standards.

Restaurant means a retail establishment at a fixed (permanent) location outside a Mall or Non-Traditional Venue that operates continually on a year-round basis under the Wingstop trade name and System. However, the term does not include any type of Special Outlet.

Scheduled Opening Date means the date the Restaurant is open for business.

Social Media means personal blogs, common social networks like Facebook and Myspace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools.

Special Outlet means a kiosk, a satellite unit, an express unit, a mini-store, a temporary or seasonable booth, or similar installation, no matter how denominated, operated under the Wingstop trade name. The

term also includes a mobile dispensing unit, such as a cart or customized RV, operated under the Wingstop trade name but does not include an automobile or van used predominately for Catering or, if expressly permitted, Delivery Service.

Summary Page means the pages that appear at the beginning of this Agreement that summarize certain key information concerning the parties' relationship and the terms of the Agreement.

System means the compilation of operating procedures, marketing concepts, management techniques, and communications methods and procedures that Company has developed or adopted to govern the operation of Restaurants, the marketing of their products and services, and the methods of communication between and among Company and Restaurant operators, all or some of which may be deleted, changed, improved or further developed by Company from time to time.

Trade Area means that certain area of development relating to the location of the Restaurant as defined in Exhibit B to this Agreement. The Trade Area shall in all cases be deemed to exclude any and all Non-Traditional Venues physically located within the Trade Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Trade Area, Franchisee may not operate at such Non-Traditional Venues, and there are no restrictions whatsoever on Company's activities in or at those Non-Traditional Venues, including, but not limited to, its right to operate and grant others the right to engage in foodservice operations under the Marks at such Non-Traditional Venues.

Trade Dress means decorative, non-functional components of a Restaurant that provide the establishment a distinctive, memorable appearance.

Trade Secrets means the components of the System, the contents of the Operations Manual and of all employee training materials and computer programs developed by Company or in accordance with its specifications, and any other Confidential Information that Company imparts to Franchisee with respect to a Restaurant's operation or management, whether through the Operations Manual or otherwise.

Web/Website means either an Internet website or an Intranet website.



STORE NO. _____

**FRANCHISE AGREEMENT
FOR A
WINGSTOP RESTAURANT**

THIS AGREEMENT is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“Company”), and _____ (“Franchisee”). Certain terms are used in this Agreement with the meanings assigned in the Glossary of Terms appearing at the beginning of this Agreement. That Glossary is incorporated into, and made an integral part of, this Agreement by reference.

1. RECITALS.

Company has developed a System to guide and govern the operation of restaurants that operate under the Wingstop® trade name and sell buffalo-style chicken wings as their primary menu item. Company franchises the operation of Restaurants (in addition to conducting other business activities). Franchisee has completed the site selection requirements of a Development Agreement for a Restaurant to be located at the address shown in Section 2. The parties are now ready to embark on a franchise relationship and have entered into this Agreement to evidence the terms and conditions of their relationship.

2. GRANT OF FRANCHISE.

(a) Subject to the terms, conditions and limitations of this Agreement, Company grants Franchisee a franchise to operate a Restaurant at the following location: _____
_____. Franchisee’s use of any of the Marks or any element of the System in the operation of a business at any other location or in any other channel of distribution without Company’s express written authorization will constitute willful infringement of Company’s rights in the Marks and the System.

(b) The franchise includes the following rights and licenses:

(1) Authorization to operate the Restaurant under the Wingstop® trade name, in association with the Wingstop® service mark and in accordance with the System;

(2) Authorization to install the Trade Dress and exterior and interior signs bearing the Wingstop® name and logo at the Restaurant;

(3) Authorization to provide Catering from the Restaurant; and

(4) Authorization to use the Marks to identify, advertise and promote the Restaurant’s products and services.

(c) Franchisee shall acquire no rights or authority under this Agreement or as an element of the franchise:

(1) To sell to any wholesale or retail customer the ingredients (including Company’s proprietary sauces and seasonings) from or with which any menu item is prepared;

(2) To provide Delivery Service until Company has developed a delivery program for the locale in which Franchisee's Trade Area is located, has revised the Operations Manual to incorporate the delivery program's standards and requirements, and has assigned Franchisee a delivery zone (which may be smaller than the Restaurant's Trade Area);

(3) To sell Wingstop® brand food, memorabilia or other merchandise from catalogues, an Internet Website or a Special Outlet without Company's express prior permission; or

(4) To operate a Special Outlet without Company's prior written permission.

(d) Company reserves all rights that this Agreement does not expressly grant to or confer upon Franchisee.

3. FRANCHISE FEE.

In consideration of Company's granting the franchise, Franchisee must pay Company a franchise fee of \$_____. The franchise fee will be payable in full when Franchisee signs this Agreement. The franchise fee is not refundable under any circumstances.

4. COMPETITIVE PROTECTION.

(a) Company does not grant exclusive territories, but does provide its franchisees protection against some forms of competition inside a geographic Trade Area. Exhibit B to this Agreement describes the Trade Area that Company has assigned to the Restaurant. Franchisee will enjoy competitive protection in the Trade Area to the extent the following paragraphs of this Section 4 expressly provide. Franchisee will have no protection against competition from Restaurants, Special Outlets or other establishments the physical premises of which are located anywhere outside the Trade Area's physical boundaries, whether or not these establishments market their products and services in, provide Catering or Delivery Service in, or draw customers from the Trade Area. Nor will Franchisee have any protection against competition from foodservice and other operations under the Marks in or at Non-Traditional Venues, whether such Non-Traditional Venues are physically located inside or outside the Trade Area. On the other hand, there will be no limitation on the geographic area in which Franchisee may advertise and promote the Restaurant, or from which the Restaurant may draw customers, or in which Franchisee may provide Catering (although the Operations Manual's product quality standards may effectively limit the size of the area in which Franchisee can provide Catering). In addition, Franchisee will have no protection against competition from restaurants, other retail establishments, or any other distribution channel operated, franchised, licensed, or otherwise permitted by Company or any of its Affiliates under trademarks and brand names other than the Wingstop trademark, whether located or operating inside or outside the Trade Area, even if such restaurants, other retail establishments, and distribution channels offer and sell the same products and services Franchisee's Restaurant sells.

(b) Company will not open or authorize anyone except Franchisee to operate a Restaurant the physical premises of which are located in the Trade Area. However, this protection will not apply to, and Franchisee will have no competitive protection from, Special Outlets that Company or another franchisee or licensee (with Company's authorization) operates, either permanently, temporarily or seasonally, in a Mall.

(c) If an opportunity arises to develop a Special Outlet in the Trade Area, Company promises not to pursue or authorize anyone else to pursue the opportunity without first determining Franchisee's interest in the project and evaluating Franchisee's qualifications to pursue it, except that Company will have no obligation to notify Franchisee of or to consider Franchisee for the opportunity if the facility in

which the Special Outlet will operate is a Mall and the Mall's owner or manager sets financial, experience or organizational standards for an acceptable operator that Franchisee does not satisfy at the time the opportunity becomes available. Franchisee acknowledges that the managers of many Malls will deal only with experienced, institutional food service companies, and that Franchisee may not satisfy their financial, experience or organizational criteria.

(d) In evaluating Franchisee's qualifications to develop and operate a Special Outlet in the Trade Area, Company will take into account Franchisee's financial strength, management and organizational capabilities, prior performance as a Wingstop franchisee, and other factors Company considers relevant to a sound business decision. Company promises to exercise reasonable business judgment in conducting its evaluation, but its decision regarding Franchisee's qualifications will be final and conclusive. If Company decides that Franchisee is qualified to pursue the opportunity, Company and Franchisee will, at Company's option, sign either an amendment to this Agreement or a separate agreement that evidences the nature and extent of Franchisee's rights to operate the Special Outlet. If Company decides that Franchisee is not qualified to pursue the opportunity, Company will be free to pursue it, either directly or through another franchisee or licensee.

(e) The competitive protection this Section 4 provides Franchisee will not to any extent prohibit or restrict Company or its Affiliates from engaging in the distribution of proprietary sauces and seasonings, shirts, hats and other memorabilia, and other products and merchandise, whether or not identified by or associated with the Wingstop® brand name or logo, to or through commercial establishments that are not affiliated with Company or associated with the Wingstop franchise system, including (for example) department stores, supermarkets and convenience stores. Company and its Affiliates may exercise their distribution rights, both inside and outside the Trade Area, and by doing so will not be deemed to infringe Franchisee's competitive protection rights. As noted in Section 4(a) above, Franchisee will have no protection against competition from restaurants, other retail establishments, or any other distribution channel operated, franchised, licensed, or otherwise permitted by Company or any of its Affiliates under trademarks and brand names other than the Wingstop trademark, whether located or operating inside or outside the Trade Area, even if such restaurants, other retail establishments, and distribution channels offer and sell the same products and services Franchisee's Restaurant sells.

(f) The competitive protection this Section 4 provides Franchisee will not prohibit or restrict Company or its Affiliates from selling proprietary products, Wingstop memorabilia and other merchandise to customers inside the Trade Area through catalogues, telemarketing campaigns, an Internet Website and other direct-order techniques. Company and its Affiliates may distribute catalogues and similar sales solicitation materials in the Trade Area, broadcast television and radio commercials for direct-order merchandise into the Trade Area, initiate telephone contact with and accept telephone orders from residents of the Trade Area, and fill customer orders for direct-order merchandise in the Trade Area, without in any such case being deemed to infringe Franchisee's competitive protection rights.

(g) Franchisee acknowledges and agrees that Company has no express obligation or implied duty to insulate or protect Franchisee's revenues from erosion as the result of the Restaurant's competing with other Restaurants or Special Outlets the physical premises of which are located outside the Trade Area; with Special Outlets located inside the Trade Area as permitted in Section 4(b); with foodservice and other operations under the Marks in or at Non-Traditional Venues, whether such Non-Traditional Venues are physically located inside or outside the Trade Area; with other establishments that sell chicken wings and other menu items under trade names other than Wingstop (including, but not limited to, those operated, franchised, licensed, or otherwise permitted by Company's Affiliates); or as a result of Company's competing with the Restaurant in the ways and to the extent this Section 4 provides or contemplates. Franchisee expressly waives and relinquishes any right to assert any claim against Company based on the existence, actual or arguable, of any such obligation or duty.

5. MODIFICATION OF CONCEPT, TRADE DRESS AND EQUIPMENT STANDARDS.

(a) Company reserves the right to modify the Restaurant concept, Trade Dress and equipment package from time to time through changes to or a supplement of the Operations Manual for a variety of reasons. These reasons include the need to (i) respond to changes in consumer expectations and buying trends, (ii) seize efficiencies made possible by growth of the Wingstop restaurant chain, (iii) implement efficiencies made possible by technological advances or as a result of Company's research and development activities, (iv) implement co-branding alliances with other companies, and (v) meet competition. Company reserves the right and discretion to (1) add new and different menu items to the list of authorized Restaurant merchandise, (2) withdraw menu items from the list of authorized Restaurant merchandise, or to change their names, recipes and image, (3) change the Trade Dress, equipment and fixtures standards for Restaurants, (4) add or change the standards for customer services (such as Catering and Delivery Service), (5) abandon the use of equipment, fixtures and merchandising displays for any menu item that Company withdraws from the list of authorized Restaurant merchandise, (6) change uniform requirements, and (7) require the use of new or different electronic data processing and communications equipment and facilities. Depending on the nature of the required modification, Franchisee will have a minimum of 15 days and a maximum of six months to complete any changes, as specified in the Operations Manual or any changes or supplements thereto.

(b) If the addition of a menu item or product to the authorized merchandise list would not require the installation of new fixtures or equipment (other than items Company classifies as smallwares), Company may instruct Restaurant franchisees to begin offering the new menu item as of a date specified in a change to or supplement of the Operations Manual. Similarly, if the deletion of a menu item or product from the authorized Restaurant merchandise list would not require the removal of fixtures or equipment (other than items Company classifies as smallwares), Company may direct Restaurant franchisees to cease offering the product as of a date specified in a change to or supplement of the Operations Manual. Franchisee will comply with Company's instructions as of the date Company specifies, which need not be more than 30 days after Company distributes the change to or supplement of the Operations Manual.

(c) If Company abandons or adopts changes in the Restaurant operating concept that necessitate the addition or removal of furniture, fixtures, equipment, signs or Trade Dress items, Company may instruct Restaurant franchisees to adapt their Restaurants to the concept change through a change of or supplement to the Operations Manual. Company, in consultation with Franchisee, will establish a schedule for Franchisee to implement the concept change that will depend, among other factors, on the Restaurant's size and age and the amount Franchisee has spent in recent periods to refurbish and upgrade the Restaurant (but subject to the parameters specified at the end of subparagraph (a) above). Franchisee will remove from the Restaurant any items Company designates as obsolete and will purchase and install any different or additional items Company specifies as meeting its new standards, all in accordance with the schedule Company establishes for Franchisee's Restaurant.

(d) Company requires that all Restaurants install and maintain a computer-based Information System that permits faster and more accurate communication between Company and Restaurant franchisees. The Information System may involve or include an Intranet network that Company designs and administers for the Wingstop restaurant chain. Franchisee acknowledges that this Section 5 obligates Franchisee to install the type and capacity of computer, POS cash register, modem and peripheral equipment, fax machine, telephone system and audio/visual and any other equipment Company designates and to participate in the Information System in accordance with standards, protocols, terms and procedures Company includes in the Operations Manual or any supplements or changes to the Operations Manual. Franchisee further agrees to install additions, substitutions and upgrades to the hardware, software, and other items in the Information System in order to maintain full operational efficiency and to

keep pace with changing technology and updates to Company's requirements as modified from time to time through the Operations Manual.

(e) If Company allows the Restaurant to participate in any new product test, Franchisee will participate in the test in accordance with Company's standards and specifications and will discontinue offering any product that Company decides not to add permanently to the authorized Restaurant merchandise list.

(f) If Franchisee develops or suggests an innovation or improvement that Company decides to incorporate into the Wingstop Restaurant concept or System, either temporarily or permanently, Franchisee will assign ownership of the innovation or improvement to Company without compensation within 90 days after such innovation or improvement is implemented. The sole consideration for the assignment will be Company's giving Franchisee recognition and credit for the innovation or improvement in announcing it to members of the Wingstop restaurant chain.

6. COMPANY SERVICES AND ASSISTANCE.

(a) **Development Stage Assistance.** Company will provide the following services and assistance to Franchisee before Franchisee opens the Restaurant:

(1) Company will furnish Franchisee a list that describes or shows the specifications for the furniture, fixtures and equipment that Franchisee must install in the Restaurant. Company will also provide Franchisee's architect (if Company grants Franchisee's request to use an outside architect) and general contractor with information about the sequence of events and procedures that must be followed in building out and equipping a Restaurant. Current requirements for the Franchisee's architect (if applicable) or general contractor will be provided in Company's Real Estate and Construction Guidelines. For a separate fee (described in Section 7(b)(1) below), Company will provide Franchisee a set of construction documents for the store's build-out. At Franchisee's cost and expense, Company will assist Franchisee in locating a general contractor.

(2) Company will furnish Franchisee lists of the inventory, supplies, paper goods and smallwares needed to stock and operate a Restaurant, together with the names of any suppliers Company has designated or approved, including Company and its Affiliates. These lists include the quality and grade specifications that Company has adopted for poultry, logo-imprinted paper goods and other ingredients and supplies Franchisee will need.

(3) (i) Company will provide a training program at its training facility in Richardson, Texas. Once Franchisee receives notice of the date on which the Restaurant's construction will begin or a notice to proceed with construction of the Restaurant, Franchisee will apply for a training date. Franchisee must complete a training application for each candidate planning to attend training. Candidates will be approved to attend training only after meeting the following requirements: all Restaurant financing has been secured and supporting documentation is received and confirmed by Company's Construction Department; Franchisee pays a 50% deposit for the Restaurant's signage and equipment (including the POS system) and Company receives and confirms the supporting documentation; and Company's Construction Department issues a Notice to Proceed at least one week before the first day of the training class. Training typically will not be scheduled until that time. However, at its discretion, Company may allow earlier scheduling if Franchisee provides proof that its financial institution requires evidence that Franchisee has completed and passed the training program. If this Agreement relates to Franchisee's first Restaurant, Company will provide training without tuition charge for Franchisee (or, if Franchisee is a Business Entity, its Designated Principal) and its General Manager (or for Franchisee or its Designated Principal and an Assistant Manager if Franchisee or its

Designated Principal will act as the General Manager). (If Franchisee or its Designated Principal does not plan to be the Restaurant's full-time General Manager, Company requires attendance at training by Franchisee or its Designated Principal and at least two full-time managers, working at least 40 hours per week in the Restaurant, who will be primary in operating and managing the Restaurant. If Franchisee or its Designated Principal does not plan to be the Restaurant's full-time General Manager but Franchisee can demonstrate to Company that it has overseen the operation of at least five (5) restaurants for at least the past three (3) years and that the individuals involved in the operation of those restaurants intend to oversee the Restaurant's operation, Company may, in its sole judgment, approve Franchisee's written request to waive the owner training requirement and instead have one of those individuals and one full-time manager attend the training class. If this Agreement relates to Franchisee's second or subsequent Restaurant, Company will provide training without tuition charge for the new General Manager. Subject to availability of pupil space and to payment of a reasonable tuition charge, Franchisee may re-enroll or enroll others in the training program from time to time for initial or refresher training. In all cases, Franchisee must pay the travel, lodging and incidental expenses that Franchisee, the General Manager and Franchisee's other designated trainees incur to attend the training program. Unless Franchisee is an individual who will operate his or her own Restaurant or a Business Entity whose Designated Principal will operate the Restaurant, Franchisee must hire a General Manager who either has roots in the general area where the Restaurant is located or is willing to move into the general area and establish community relations there. If Franchisee's General Manager leaves Franchisee's employment, Franchisee must notify Company promptly and must recruit, hire and send for training a suitable qualified replacement General Manager within a reasonable time, which will in no case exceed 30 days from the date the former General Manager departed.

(ii) If Company determines that Franchisee (or the Designated Principal), the General Manager and/or the Assistant Manager is unable to complete initial training to Company's satisfaction, Company has the right to postpone the opening until two qualified and fully-trained candidates are available. Company also has the right to postpone the opening of the Restaurant if it determines that a person who is in the training program falsified any documentation; made any material misrepresentations; was not approved under standard application procedures; failed to complete all the training hours in the training program; failed to pass training program examinations; or is disruptive, disrespectful, a continual hindrance to teaching procedures, or negatively affecting the training class. Company has the right to expel that person from the training program and postpone the opening until a qualified, trained candidate is available. Franchisee will be liable for any damages Company may experience as a result of the expulsion and will be charged for training costs.

(iii) Company may, at its sole discretion, require supplemental, refresher training or recertification examination for Franchisee (or the Designated Principal) and its managers. If they fail the recertification exam, they must apply for and attend the next scheduled 4-week training program. Only those General Managers who have completed Company's training program may train other general managers.

(4) Upon application to attend training, Company will send Franchisee authorization and dates for attendance, the guidelines for which are stated in the Development Guide, by electronic communication to the email address provided by Franchisee or through the Intranet.

(5) If Franchisee is involved in the transfer or sale of any interest in the Restaurant, the potential owner or interest holder must be approved by Company through the normal application approval process and approved for training. Any new owner designated as Designated Principal, along with any new General Manager of the Restaurant, is required to complete the training program before the transfer or sale occurs. The buyer or transferee must execute a transfer addendum that states that, notwithstanding Section 13, the buyer or transferee does not have a right to take over the franchise

agreement or Restaurant without Company's prior written approval. The buyer or transferee must also sign any release forms Company requires.

(6) When Franchisee (or the Designated Principal) arrives for training, Company will loan Franchisee one set of the Operations Manual and other relevant training materials. Company may charge Franchisee a reasonable fee if Company agrees to give Franchisee more than one (1) copy of its Operations Manual and training materials (although Company has no obligation to give Franchisee more than one (1) copy). Company may auto debit this fee, the amount of which may change periodically during this Agreement's term, from Franchisee's bank account.

(7) Company will assist Franchisee's architect (if Company grants Franchisee's request to use an outside architect) and general contractor with all procedures to be followed during the design and construction phases. All changes to Company's design and construction procedures must receive Company's approval before Franchisee implements them.

(8) Company will help Franchisee find a local supplier of poultry, ingredients, paper goods and supplies that meet Company's specifications. If Company and Franchisee cannot locate a suitable local supplier of any required item, Company will arrange for a qualified supplier to drop ship the item to Franchisee, at Franchisee's expense.

(9) All monies due and owing to Company must be paid in full before Franchisee may open the Restaurant.

(b) **Operational Assistance.** Company will provide the following services and assistance to Franchisee after the Restaurant opens:

(1) If the Restaurant is Franchisee's first Restaurant, Company will send an Opening Restaurant Trainer to the Restaurant for a minimum of two days prior to the scheduled opening date and up to four days after the date the Restaurant opens. The Opening Restaurant Trainer will assist Franchisee in training its staff and ensuring that all staff members are working in accordance with the operating system detailed in Company's Operations Manual. If the Restaurant is Franchisee's second or later Restaurant, Company may send a Franchise Business Consultant and/or Opening Restaurant Trainer for the amount of time Company considers adequate.

(2) Company will advise and assist Franchisee in planning publicity and promotions for the Restaurant's opening.

(3) Company will make its staff accessible to the General Manager for consultation by telephone, fax, written communication, e-mail and other forms of electronic communication. Company will occasionally visit the Restaurant to conduct QSC Inspections, but will not provide routine field supervision.

(4) Company will arrange for the production and distribution of its proprietary sauces and seasonings used in the preparation of chicken wings and certain other menu items. Company will arrange for these items to be produced in quantities sufficient to satisfy the Restaurant's reasonable needs. Company will be relieved of any obligations to Franchisee under this Section 6(b)(4) if Franchisee fails to maintain a satisfactory payment history with the distributor from which Franchisee purchases inventory, or if Franchisee becomes significantly or habitually late in paying royalties or marketing fees.

(5) Company will give Franchisee access to additions and supplements to the Operations Manual as they become available and will disclose to Franchisee additional Trade Secrets, if any, Company develops that relate to the operation of Restaurants.

(6) So long as Franchisee complies with Franchisee's financial, operational and reporting obligations under this Agreement, Company will invite Franchisee to attend (at Franchisee's expense) all conventions, seminars and other Franchisee-oriented functions Company from time to time plans and sponsors. Company may charge a fee to attend its Convention.

(7) Company will permit Franchisee to purchase equipment and inventory from or through any distribution network Company establishes.

Company will not be liable to Franchisee for any loss or damage, or be deemed to be in breach of this Agreement, if Company cannot deliver or cause to be delivered, or if Company's Affiliates or designated sources or approved suppliers cannot deliver, all of Franchisee's orders for products, merchandise, equipment, supplies, and other items when such items are out-of-stock or discontinued.

(8) Company and its Affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with Company, its Affiliates, Franchisee, and other franchisees and to use all amounts received without restriction for any purposes Company and its Affiliates deem appropriate.

7. FRANCHISEE'S PERFORMANCE.

(a) **Business Entity Requirements.** If Franchisee is a Business Entity, the following requirements apply:

(1) Franchisee must be newly organized and its Charter Documents must provide that Franchisee's purposes and activities are restricted exclusively to operating Wingstop Restaurants.

(2) True, complete and duly authenticated copies of Franchisee's Charter Documents and of a resolution of Franchisee's board of directors, general partner or other managing body authorizing Franchisee to enter into and perform this Agreement must be furnished to Company prior to the execution of this Agreement.

(3) Franchisee's Charter Documents shall impose transfer restrictions that give effect to Section 13(a), and each certificate representing an ownership interest in Franchisee shall contain or have conspicuously noted upon its face a statement in a form satisfactory to Company to the effect that any assignment or transfer of the certificate is subject to all restrictions this Agreement imposes on transfers and assignments.

(4) Franchisee shall complete the information contained in Exhibit E before signing this Agreement or opening the Restaurant, as Company specifies, and shall furnish a current version of the list to Company within 10 days after any change (some of which changes are subject to Section 13) and upon Company's request. Each Person Company designates, including Principals who need not sign the Guaranty, General Managers, and Assistant Managers, shall, if they have access to Trade Secrets and other Confidential Information, be required to sign an agreement in the form Company prescribes undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement.

(b) **Pre-Construction Procedures/Architecture and Construction Services.**

(1) Company provides in-house architectural and construction management services. These services provide for complete professional architectural and engineering services for a fee, which is non-refundable. If the Restaurant will be located within the continental United States, Franchisee must use Company for these services. Franchisee must pay Company a deposit equal to one-half (½) of the estimated fee for Company's services, due when Franchisee signs this Agreement. The remaining portion of the fee is due when the plans/drawings prepared by Company are ready. Company may require payment before releasing the plans/drawings to Franchisee. Company may, in its sole judgment, waive the requirement that Franchisee use Company's architectural and construction management services for experienced restaurant developers who submit a written request together with any additional documents and information Company requests. If Company allows Franchisee to use an outside architectural service, Company requires that it meet certain criteria outlined in Company's Real Estate and Construction Guidelines, and Company will bill Franchisee hourly for any consulting its in-house architect performs (after the first hour). To ensure use of the prototypical equipment design and content for the proposed Restaurant, Company will prepare the preliminary equipment drawing for Franchisee's consultant's use, the cost of which is \$5,000. Franchisee's consultant must be approved by Company before Company will release any designs or plans. If Franchisee does not receive Company's prior approval to use its consultants, Franchisee's construction process may be delayed.

(2) If Company allows Franchisee to use the services of an outside architectural service, Franchisee must follow the criteria listed in Company's Real Estate and Construction Guidelines.

(3) Within 15 days after Franchisee selects an architect (if Company grants Franchisee's request to use an outside architect), Franchisee must submit for Company approval a complete set of construction documents for the Restaurant, including mechanical, electrical and plumbing specifications. Franchisee must develop the documents in accordance with the standards and information Company provides, including the kitchen/storage area lay-out Company suggests and Company's required Trade Dress package. The documents will be subject to Company's review and approval. Franchisee agrees to defer signing contracts for the Restaurant's construction, equipment, fixtures or signage until Franchisee has received Company's written approval of Franchisee's final construction documents.

(4) Franchisee must furnish Company with an executed lease within five days after its execution. Within 30 days after the Effective Date, Franchisee must locate and furnish Company the name of an experienced restaurant architect (if Company grants Franchisee's request to use an outside architect).

(5) Franchisee must locate and furnish Company the name of an experienced general contractor who has built at least two restaurants that engage primarily in frying operations. The contractor must furnish Company a statement of the contractor's qualifications as referenced in the Operations Manual, including at least five client references and a copy of the construction contract the contractor proposes to sign with Franchisee. Company will have 10 calendar days after it receives these documents to advise Franchisee of any reservations Company has about the contractor's reputation or ability. If Franchisee decides not to hire a particular contractor, Franchisee will have an additional 15 days to locate another general contractor and to submit the new candidate's qualifications to Company for its review.

(c) **Construction and Operations.** In connection with the construction and operation of the Restaurant, Franchisee agrees to fulfill the following requirements and perform the obligations and observe the restrictions stated in this Section 7(c):

(1) Franchisee will construct, finish out, equip, furnish and decorate the Restaurant in compliance with Company's equipment, Trade Dress, Information System and signage specifications and the construction documents Company approves in accordance with Sections 7(b)(2) and (3). After the Restaurant opens, Franchisee will not alter its furniture, fixtures, equipment, signs or Trade Dress in any fashion without Company's express prior permission.

(2) Franchisee will affix to an exterior window or display prominently on an interior wall of the Restaurant a decal or placard containing the following statement: "This restaurant is owned and operated by _____ under a license from Wingstop Restaurants Inc.," and never make a statement or representation to any person that is contrary to or inconsistent with Section 22 of this Agreement.

(3) Franchisee (or its Designated Principal) will attend and send the General Manager to the training program described in Section 6(a)(3). Franchisee (or its Designated Principal) and the General Manager both must complete Company's training program (including all training hours) with a passing grade before the Restaurant may open for business.

(4) As soon as Franchisee obtains a telephone number for the Restaurant, Franchisee will sign and deliver to Company an Assignment of Telephone Number(s) for the number in the form attached to this Agreement as Exhibit D. If the Restaurant's telephone number changes during the franchise term, or if Franchisee adds additional lines for a modem or other purposes, Franchisee will promptly sign and deliver to Company a new Assignment of Telephone Number(s) for the new or additional number(s).

(5) Franchisee will open the Restaurant for business not later than the Scheduled Opening Date specified beneath the signature block of this Agreement and will operate it continuously throughout the entire term of the franchise solely under the Wingstop trade name and System. If the Restaurant's completion is interrupted by a natural disaster, fire or other casualty, labor dispute, materials shortage, or similar event over which Franchisee lacks control (although such "force majeure" events do not under any circumstances include Franchisee's financing delays or difficulties), the Scheduled Opening Date will be extended for the time reasonably necessary to remedy the effects of the occurrence. Franchisee must spend at least \$2,500 on grand opening advertising and send Company proof of paid invoices for grand opening advertising no later than 60 days after the grand opening.

(6) Franchisee will (i) comply with and adhere to the policies and procedures set forth in the Operations Manual, as revised and supplemented from time to time, (ii) follow Company procedures in the storage, preparation, presentation and dispensing of chicken wings, other authorized menu items and other authorized Restaurant merchandise and the acquisition of items from Approved Vendors, (iii) purchase and use fresh, processed and prepackaged ingredients that satisfy or exceed the minimum grade or quality standards Company from time to time specifies, (iv) purchase from Company or a source Company designates and exclusively use Wingstop® brand sauces and seasonings and other proprietary products specially produced for the Wingstop restaurant chain, and (v) purchase inventory and supplies only from suppliers Company designates or approves from time to time, the number of which may be limited by Company.

(7) Franchisee will provide appropriate training, supervision and security for all personnel employed in the Restaurant, maintain standards of prompt and courteous customer service, and instruct all employees of the Restaurant in the proper use and display of the Marks and the confidential handling of the Trade Secrets and the Operations Manual, as stated in Section 12.

(8) Franchisee will ensure that all of the Restaurant's employees follow Company's grooming and dress code and wear the Wingstop uniform items developed by Company.

(9) Franchisee will notify Company promptly of any change in the General Manager and send any new General Manager to attend and satisfactorily complete Company's training program.

(10) Without prior permission of the affected employer, Franchisee will not, directly or through others, contact, solicit or offer any inducements to any employee of Company, a Company Affiliate or another Wingstop franchisee for the purpose of persuading or attempting to persuade the employee to accept employment by Franchisee in any capacity.

(11) Franchisee will offer all foods and beverages included on Company's standard menu, as revised from time to time, and will not offer any foods, beverages or other merchandise that is not included on Company's authorized Restaurant merchandise list, as revised from time to time, without Company's prior written consent; provided, however, that Company will not specify on the menu or merchandise list the brands of any alcoholic beverages, beer or wine sold at the Restaurant by Franchisee.

(12) Franchisee will imprint the Wingstop logo on all cups, containers, bags, take-out menus and other paper goods used in the Restaurant in accordance with instructions contained in the Operations Manual, and will purchase items imprinted with the Wingstop logo® only from suppliers Company designates or approves.

(13) Franchisee will purchase, as they become available, and display in the Restaurant all (i) product identification materials, (ii) point-of-purchase promotional materials, (iii) promotional memorabilia, merchandise and prizes, and (iv) other advertising and marketing materials Company creates or authorizes for use by Restaurant operators. Franchisee will purchase these materials from a source Company designates or approves.

(14) At Company's request, Franchisee will display at its own expense in a prominent, accessible place a "franchise opportunity" display for the purpose of increasing public awareness of the availability of Restaurant franchises.

(15) Franchisee will use the Marks, the Trade Secrets, the Operations Manual and other Copyrighted Materials in strict compliance with Section 12 and in a manner tending to promote the goodwill and public image of the Wingstop franchise system and comply with all of Company's requirements regarding use of Social Media in connection with the Restaurant's operation or otherwise referencing the Wingstop System.

(16) Franchisee will follow Company procedures in maintaining and cleaning the Restaurant's equipment and fixtures, and will maintain the customer seating, kitchen, storage and restroom areas of the Restaurant in a safe and sanitary condition at all times.

(17) Franchisee will maintain the physical appearance and integrity of the Restaurant in accordance with the repair, refurbishing and remodeling standards stated in the Operations Manual.

(18) Franchisee will permit Company representatives to conduct unannounced QSC Inspections of the Restaurant at any time during normal business hours (such QSC Inspections are not limited to audits, photocopies and videotaping of the Restaurant's business operations and records) and to interview the Restaurant's employees and customers. Franchisee must promptly correct any condition noted as "unsatisfactory" or "needs improvement" in a QSC report.

(19) Franchisee will maintain Restaurant business hours and days of operation in accordance with System standards and the Operations Manual.

(20) Franchisee will comply strictly with all federal, state and local laws and government regulations applicable to Franchisee's franchised business, including those relating to taxation, employment and promotion practices, employee wages, child and immigrant labor, disabled persons, workers' compensation, truth-in-advertising, occupational safety and health, and sanitation. Franchisee shall also furnish Company copies of any licenses and certifications it is required to have to operate the Restaurant.

(21) Franchisee will (i) adopt and follow Company's fiscal year for accounting purposes, (ii) adopt and follow the accounting principles, policies and practices Company prescribes, including use of Company's standard chart of accounts, (iii) acquire, install and use the Information System Company specifies from time to time in the Operations Manual, (iv) install and continually maintain a telephone line for the Restaurant's modem, and (v) furnish Company the modem's telephone number, as originally assigned and as changed from time to time. If the Restaurant is Franchisee's first Wingstop Restaurant, then Franchisee must use bookkeeping services provided by Company's designated franchise accounting providers for at least the first twelve (12) months of the Restaurant's operation. After this initial twelve (12) month period, Franchisee may seek approval from Company to use accounting services other than Company's designated franchise accounting providers. Company may (but is not required to) approve Franchisee's request if Company is satisfied that Franchisee's requested accounting service is capable of furnishing the reports and other financial information required by this Agreement in compliance with Company's minimum standards.

(22) Franchisee will accurately calculate and report Gross Sales to Company at the times and through the procedures Company from time to time specifies (including electronic means). Franchisee acknowledges that Company may electronically poll the Restaurant's Information System to obtain Gross Sales data as well as other financial and operating information. Franchisee agrees to maintain continual data network access to the Restaurant's Information System for use by Company.

(23) Franchisee will furnish Company copies of all annual federal and state income tax returns, and all sales tax returns, filed by Franchisee with respect to the Restaurant's income or sales no later than 5 days after they have been filed. Franchisee hereby authorizes, and agrees to execute any documents deemed necessary to effect authorization from, all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which Franchisee does business to disclose to Company any requested financial information in their possession relating to Franchisee or the Restaurant. Franchisee authorizes Company to disclose data (including to third parties) from Franchisee's reports if Company determines that such disclosure is necessary or advisable.

(24) Franchisee shall maintain up-to-date business records and will permit Company, at any time during the term of the franchise and for three years after it expires or terminates, to conduct a special audit of Franchisee's books and records relating to the Restaurant's operation. To assist Company in planning and conducting its audit program, Franchisee expressly authorizes Company to obtain from any vendor with which Franchisee does business copies of invoices and other sales data related to Franchisee's account with the vendor. Company also may require Franchisee to provide business records, including, but not limited to, bookkeeping and accounting records, invoices, payroll records, and sales tax records. If an audit establishes that Franchisee's royalty/marketing fee reports or profit and loss statements have understated Gross Sales for any fiscal year or other period reviewed by more than 1%, or if Company's desire to audit is prevented or impeded by Franchisee's failure to maintain or provide the necessary records and information, Franchisee shall pay the audit's cost, including the travel, lodging and meal expenses of the persons who conduct or attempted to conduct the audit. Otherwise, Company will

bear the audit's entire cost. Franchisee shall promptly pay Company any royalty, Ad Fund contribution, marketing fee, and other payment deficiencies established by an audit, together with interest as provided in Section 14.

(25) Within 30 days after the end of each calendar quarter, Franchisee shall furnish Company with a quarterly balance sheet and profit and loss and cash statements for the Restaurant. Franchisee will maintain complete and accurate books and records relating to the operation of the Restaurant in accordance with Section 7(c)(21) and Section (7)(c)(24), permit Company representatives to inspect such books and records at reasonable times and, within 45 days after the end of each fiscal year of the Restaurant, submit to Company a balance sheet, income statement and statement of cash flow for the year then ended. These financial statements shall disclose separately the items specified by Company on forms it provides, and shall be prepared in accordance with the accounting principles and practices Company prescribes. If Franchisee is at any time required to furnish any lender, lessor, government agency or other person any financial statements with respect to Franchisee's franchised business, Franchisee shall concurrently furnish Company a copy of such financial statements. Franchisee shall maintain for at least three years from the dates of their preparation full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers in accordance with Company's requirements.

(26) (i) Franchisee will carry continuously during the term of the franchise insurance of the types (including property, workers' compensation, liquor liability and various special liability coverages), in the amounts and with the coverages the Operations Manual specifies from time to time. Until the Operations Manual specifies otherwise, Franchisee will carry Comprehensive General Liability insurance, including Products & Completed Operations coverage, with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, with Follow Form Umbrella/Excess Liability Policy with limits not less than \$2,000,000 per occurrence and in the aggregate; Dram Shop Liquor Liability Insurance with limits not less than \$1,000,000 per occurrence and in the aggregate; Statutory Workers' Compensation insurance, including Employer's Liability coverage, with limits not less than \$500,000; Automobile Liability insurance with a combined single limit of \$1,000,000 for any owned, hired or non-owned automobile used in the course of Franchisee's business; Business Property Insurance that extends coverage on a replacement cost basis for business personal property, including electronic equipment, tenant improvements and betterments, and business income and extra expense. Covered causes of loss should be "Special" or "All Risk" with coinsurance conditions not less than 80%. Coverage for Flood is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V"; Employment Practices Liability insurance with limits not less than \$250,000 (claims made policy form is acceptable); and other insurance required by the state or local authority where the Restaurant is located. Each policy must (1) be obtained from an insurance carrier that has and maintains an AM Best's financial strength rating of A- (Excellent), Class VIII (\$100M to \$250M policy holder surplus), or better, and is authorized to conduct business in the state in which Franchisee resides, (2) name Company and its parent companies, subsidiaries, and other Affiliates, and their respective officers, directors, shareholders, agents, representatives, and employees, as additional insureds for claims arising from Franchisee's products and/or operations and include a waiver of subrogation in favor of Company, (3) respond on a primary and non-contributory basis to any insurance carried by Company or its Affiliates, (4) not otherwise limit coverage for tort liabilities assumed in this Agreement, (5) provide for a deductible of not more than \$1,000 per occurrence, (6) contain no provision that limits or reduces Franchisee's coverage on account of a claim against Franchisee by Company, and (7) provide for not less than 30 days' prior notice to Company of change, cancellation or non-renewal.

(ii) Franchisee shall furnish Company certificates of insurance and, at Company's request, actual policies to prove that such insurance coverage is in effect, both prior to the

opening of the Restaurant and annually within 5 days after each policy renewal date. If Franchisee fails to maintain the required insurance, Company may obtain coverage on Franchisee's behalf and charge the cost to Franchisee. Franchisee agrees to reimburse Company for the premium costs it incurs to provide such coverage, plus interest as provided in Section 14, within ten days after Company submits a statement for its costs.

(27) (i) Franchisee shall defend, indemnify, and hold harmless Company and its Affiliates, and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the "Indemnified Parties") from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain, or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of the Restaurant's operation, Franchisee's conduct of business under this Agreement, or Franchisee's breach of this Agreement. Company will promptly notify Franchisee of any claim that may give rise to a claim of indemnity under this provision, provided, however, that its failure to provide such notice shall not release Franchisee from its indemnification obligations under this Section (7)(c)(27) except to the extent Franchisee is actually and materially prejudiced by such failure. Franchisee shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of such counsel's fees and disbursements. If (a) the Indemnified Party shall have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to Franchisee and, in the Indemnified Party's reasonable opinion, Franchisee's counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with Franchisee's interests, or (b) Franchisee does not assume responsibility for such Losses in a timely manner or fails to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party shall have the right to employ counsel of its own choosing, and Franchisee shall pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or Franchisee, whichever is not assuming the defense of such claim, shall have the right to participate in such claim and to retain its own counsel at such party's own expense. Franchisee or the Indemnified Party (as the case may be) shall keep the other reasonably apprised of, and shall respond to any reasonable requests concerning, the status of the defense of any claim, and Franchisee and the Indemnified Party shall cooperate in good faith with each other with respect to the defense of any such claim. Franchisee shall not, without the Indemnified Party's prior written consent, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by Franchisee. No claim which is being defended in good faith by Franchisee in accordance with this Section (7)(c)(27) shall be settled by the Indemnified Party without Franchisee's prior written consent. Notwithstanding anything to the contrary in this Section (7)(c)(27), if a claim involves the Marks, Franchisee agrees that Company shall have the exclusive right to assume the defense of such claim, at Franchisee's expense with counsel selected by Company, but reasonably satisfactory to Franchisee.

(ii) Franchisee has no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

(iii) For purposes of this Section (7)(c)(27), "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

(iv) Franchisee's obligations in this Section (7)(c)(27) will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against Franchisee under this Section (7)(c)(27). Franchisee agrees that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section (7)(c)(27).

(28) Franchisee will not, without Company's prior written consent and without complying with Section 13, sell any interior or exterior sign bearing or representing any of the Marks, sell all or substantially all the Restaurant's assets, or assign or sublease the Restaurant's premises to any Person who has not agreed in accordance with Section 13 to continue operating a Restaurant in the premises.

(29) Company requires Franchisee to pay Company's then-current tuition fee for Franchisee and/or any of Franchisee's employees who attend Company's Convention. This tuition fee will help Company defray the costs of such Convention. Company's current tuition fee is \$395 per person. Company reserves the right, in the future, to require each Franchisee to pay Company's then-current Convention tuition fee, whether or not Franchisee attends the Convention.

(30) Franchisee shall participate in, and comply with the requirements of, any gift card, customer loyalty or retention, or special promotional program that Company implements for all or part of the Wingstop Restaurant system and shall sign the forms and take the other action that Company requires in order for Franchisee to participate in such programs.

(31) Franchisee shall notify Company within five days after the commencement of any action, suit, arbitration, proceeding, or investigation, or the issuance of any order, writ, injunction, award, or decree, by any court, agency, or other governmental instrumentality which names Franchisee, any Controlling Principal, the Designated Principal, or the Restaurant's General Manager as a party or otherwise concerns the operation of the Restaurant or Franchisee's financial condition.

8. ADVERTISING AND PROMOTIONS.

(a) Ad Fund.

(1) Company has established a separate and segregated advertising fund ("Ad Fund") that it administers for the purpose of enhancing the goodwill and public image of the Wingstop franchise system through advertising and promotions. All Restaurants, both Company-operated and franchised, are obligated to make contributions to the Ad Fund. Franchisee agrees to make contributions to the Ad Fund in the manner (including payment by automatic debit) and at the rate Company establishes. Except for increases authorized in accordance with Section 8(a)(5), Company may not establish an Ad Fund contribution rate in excess of 2% of annual Gross Sales.

(2) Company will use the Ad Fund (i) to create marketing materials relating to the Wingstop franchise system and the products Restaurants sell, (ii) to place and run advertisements, commercials and promotional materials in local, regional and national media, (iii) to pay for public

relations projects intended to enhance the goodwill and public image of the Wingstop franchise system, and (iv) to reimburse Company or its Affiliates (based on reasonable allocations calculated by Company's management) (a) for salaries and other overhead expenses that are directly related to projects of a character described in clauses (i), (ii) and (iii), and (b) for part of the cost of maintaining the Wingstop Website, as authorized in Section 9. However, Company may not use Ad Fund contributions to pay for those components of the Website that publicize the Wingstop franchise program or the sale of Wingstop franchises.

(3) Company will, at its option, make creative materials produced with Ad Fund contributions (including, but not limited to, newspaper inserts, direct mail flyers, point-of-purchase promotional pieces, television and radio commercials, menu formats, and other marketing and product identification materials) available to Franchisee or directly to its advertising vendor, as Company deems best. If Company provides customized copies, it may charge Franchisee a reasonable customization fee. In all cases, Franchisee must pay to reproduce, place and run any of these materials in any local advertising campaign that Franchisee pursues independently of the Ad Fund.

(4) Company has sole control over the creative concepts, content, and form of all advertising and promotional materials developed with Ad Fund contributions and the allocation of Ad Fund monies to production, placement, and other costs and uses as it deems necessary. Company will use Ad Fund contributions in a manner that provides marketing benefits to Restaurants. Company will strive to spend Ad Fund contributions in a manner that provides advertising benefits to all participating Restaurants. However, Company does not guarantee that all Restaurants will receive identical media exposure or equal advertising benefits in view of regional differences in media costs, varying degrees of market penetration in different DMAs and other relevant factors.

(5) The Ad Fund contribution rate may be increased above 2% of Gross Sales by the affirmative vote of franchisees who own a majority of the Restaurants that comprise the Wingstop network of Restaurants at the time a vote is taken. Any increase in the Ad Fund contribution rate approved in accordance with the preceding sentence will constitute an amendment to this Agreement and will be binding on Franchisee without the need for a signed amendment. Company may not vote on a proposal to increase the contribution rate.

(6) Company reserves the right to structure the Ad Fund's organization and administration in ways that, in Company's judgment, most effectively and efficiently accomplish the Ad Fund's objectives. Company may therefore organize or reorganize the Ad Fund as a separate non-profit corporation or other appropriate entity and transfer the Ad Fund's assets to the entity. If Company establishes a separate entity to administer the Ad Fund, Franchisee agrees to become a member of the entity and, in that regard, to sign a participation agreement and take such other steps as Company reasonably specifies.

(b) Local Advertising.

(1) Franchisee agrees to spend a reasonable percentage of Gross Sales to advertise and promote the Restaurant locally. Company imposes no minimum expenditure requirement but recommends that franchisees spend at least 4% of Gross Sales on local advertising and promotions.

(2) Franchisee agrees to participate in all system-wide promotions Company originates. Franchisee also agrees to participate in all system-wide advertising campaigns Company creates. Except for Franchisee's commitments to participate in system-wide promotions and advertising campaigns and to use Company-produced marketing materials in accordance with Section 7(c)(13), Franchisee will initially have discretion over the approach Franchisee takes to local advertising and

promotions. This discretion will continue until an Area Cooperative is established in the Restaurant's DMA under Section 8(c). As provided in Section 12(a)(6), Company reserves the right to approve in advance of use by Franchisee any graphic materials or commercials developed by Franchisee that feature any of the Marks.

(3) Within 30 days after the end of each fiscal quarter, Franchisee shall submit a LAM Report to Company on a form Company provides. Each LAM Report shall show the amount Franchisee spent for local advertising and promotions during the preceding quarter and the way Franchisee spent those funds. Upon Company's request, Franchisee shall also submit documents substantiating that Franchisee incurred and paid particular expenditures during the quarter.

(c) Area Cooperatives.

(1) At the time the DMA in which the Restaurant is located encompasses Restaurants operated by at least two owners, the owners in the DMA will, at Company's request and with its advice and assistance, form a cooperative advertising association among themselves (an "Area Cooperative") for the purpose of jointly advertising and promoting their Restaurants.

(2) If, in connection with an Area Cooperative's formation or functioning, its members are unable to reach agreement with respect to any disagreement over organization, administration, "spill" policy, contribution waivers or exceptions, budget or other matters that the members cannot resolve within 45 days, the issue will be referred to Company for resolution. Company's decision with respect to the issue's resolution will be binding on all members of the Area Cooperative. In addition, Company reserves the right to review each Area Cooperative's contribution rate on an annual basis and to disapprove a rate of less than 2% of Gross Sales.

(3) Franchisee agrees (i) to join, participate in, and actively support any Area Cooperative established in the Restaurant's DMA, and (ii) to make contributions to each Area Cooperative on the payment schedule adopted by the Area Cooperative's members and at the contribution rate approved by Company.

9. THE INTERNET AND INTRANET.

(a) Internet Website.

(1) Company has established and plans to maintain an Internet Website that provides information about the Wingstop concept and the products and services that Restaurants offer. Company will have sole discretion and control over the Website's design and contents, except that Company will configure the site to accommodate the pages that Section 9(a)(2) describes. Company will have no obligation to maintain the Website indefinitely and may dismantle it at any time without liability to Franchisee.

(2) The Website will include a series of interior pages that identify participating Restaurants by name, address, telephone number and e-mail address. At Franchisee's request and upon Franchisee's execution of a terms of use agreement in a form provided by Company, Company will include at the Website one or a series of interior pages devoted to information about Franchisee's Restaurant. The page(s) must be developed by Franchisee, at Franchisee's expense, with a template that Company provides and will be subject to Company's approval prior to posting as to form, content and programming quality and to Company's ongoing approval rights. Franchisee will not have the capability to modify its page(s) except in coordination with Company's Webmaster and in compliance with Company's policies and procedures.

(3) Franchisee agrees to contribute a reasonable amount toward the cost of the Website's maintenance and further development, which amount may not exceed \$50 per month. Company will set the contribution amount in March of each year, and Franchisee will pay one quarter of its annual contribution quarterly within 30 days after Company sends Franchisee an invoice for the contribution. Company also may auto debit the amount from Franchisee's bank account. Any balance of a quarterly payment that remains unpaid 30 days after the invoice date will bear interest from that date until paid at the rate of 12% per annum (or, if less, the highest rate permitted by applicable law). In addition or alternatively, Company may use part of the Ad Fund contributions that Company collects under Section 8(a) to maintain and further develop the Website.

(4) If Franchisee fails to pay when due any fees or other amounts payable to Company under this Agreement, Company may temporarily disable Franchisee's Web page(s) until such time as Franchisee pays its outstanding obligation in full.

(5) Franchisee will have no right, license or authority to use any of the Marks on or in connection with the Internet, except as stated in and permitted by this Section 9.

(b) Wingstop Intranet.

(1) Company may, at its option, establish and maintain a so-called Intranet through which members of the Wingstop network of Restaurants may communicate with each other and through which Company may disseminate updates to the Operations Manual and other Confidential Information. Company will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to Franchisee.

(2) Company will establish policies and procedures for the Intranet's use. These policies, procedures and other terms of use will address issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) restrictions on communications between or among Franchisees that endorse or encourage breach of any Franchisee's Franchise Agreement, (iii) confidential treatment of materials that Company transmits via the Intranet, (iv) password protocols and other security precautions, (v) grounds and procedures for Company's suspending or revoking a Franchisee's access to the Intranet, and (vi) a privacy policy governing Company's access to and use of electronic communications that franchisees post on the Intranet. Company expects to adopt and adhere to a reasonable privacy policy. However, Franchisee acknowledges that, as administrator of the Intranet, Company can technically access and view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Company's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

(3) Upon receipt of notice from Company that the Intranet has become functional, Franchisee agrees to purchase and install all necessary additions to the Restaurant's Information System and to establish and continually maintain electronic connection with the Intranet that allows Company to send messages to and receive messages from Franchisee. Franchisee's obligation to maintain connection with the Intranet will continue until this Agreement's expiration or termination (or, if earlier, until Company dismantles the Intranet).

(4) Franchisee agrees to contribute a reasonable amount, not to exceed \$50 per month, toward the cost of the Intranet's maintenance and further development. Company will set the contribution amount in March of each year and Franchisee will pay one quarter of its annual contribution quarterly by bank draft. Any balance of a quarterly payment that remains unpaid 30 days after the invoice

date will bear interest from that date until paid at the rate of 12% per annum (or, if less, the highest rate permitted by applicable law).

(5) If Franchisee fails to pay when due any amount payable to Company under the Franchise Agreement, or if Franchisee fails to comply with any policy or procedure governing the Intranet, Company may temporarily suspend Franchisee's access to any so-called chat room, bulletin board, list serve or similar feature the Intranet includes until such time as Franchisee fully cures the breach and may auto debit the Intranet/Website fee from Franchisee's bank account.

10. ROYALTIES.

(a) In consideration for Franchisee's continuing use of the Marks and the System, Franchisee agrees to pay Company continuing royalties equal to 5% of Gross Sales.

(b) Royalties (and Ad Fund contributions under Section 8(a)) will be payable weekly by automatic debit of Franchisee's account. Franchisee will authorize Company and its bank to debit Franchisee's account directly by signing and delivering an Authorization Agreement for Preauthorized Payments in the form attached to this Agreement as Exhibit C. Royalties and Ad Fund contributions will be payable without notice or demand on Tuesday of each week with respect to Franchisee's Gross Sales for the week ending the preceding Saturday. By notice in writing to all franchisees, Company may from time to time change the payment interval, the payment date, and/or the manner of payment.

(c) Franchisee must report Gross Sales for the week ending the prior Saturday night in accordance with Section 7(c)(22), and Company will calculate the Franchisee's royalty payment and Ad Fund contribution and draft Franchisee's account. If Franchisee fails to report the Gross Sales for any week by that week's deadline, Company will reasonably estimate Franchisee's Gross Sales and also charge a non-refundable fee of \$250, to be electronically withdrawn in the same manner as royalty payments and Ad Fund contributions, due to Franchisee's failure to report. At Company's discretion, adjustments to Company's estimate may be made after Franchisee furnishes the missed Gross Sales report.

(d) Franchisee will not be entitled to withhold payment of royalties, Ad Fund contributions, or any other amounts due to Company or its Affiliates on account of Company's breach or alleged breach of its obligations under this Agreement; Company's performance under this Agreement constitutes no part of the consideration for Franchisee's obligation to make required payments.

(e) Franchisee is obligated to pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on Company as a result of its receipt or accrual of the franchise fee, royalties, Ad Fund contributions, or other fees that are referenced in this Agreement, whether assessed against Franchisee through withholding or other means or whether paid by Company directly. In either case, Franchisee is obligated to pay Company (and the appropriate governmental authority) such additional amounts as are necessary to provide Company, after taking such taxes into account (including any additional taxes imposed on such additional amounts), the same amounts it would have received or accrued had such withholding or other payment, whether by Franchisee or Company, not been required.

11. TERM AND RENEWAL.

(a) The franchise will continue and Franchisee shall operate the Restaurant for a primary term of 10 years from and after the Effective Date, subject to earlier termination in accordance with Sections 16 and 17.

(b) If, upon the expiration of the 10-year primary term, Franchisee is in full compliance with Franchisee's agreements and obligations under this Agreement, Franchisee shall have the option to renew the franchise for an additional term of 10 years by (1) notifying Company of Franchisee's intention to renew not earlier than 180 days nor later than 90 days before the primary term's scheduled expiration date, (2) signing Company's then current renewal form of Franchise Agreement (which will define Franchisee's subsequent renewal rights, if any) and a general release, in form and substance satisfactory to Company, of any and all claims against Company and its Affiliates, and all of their respective owners, officers, directors, and agents, arising out of or relating to this Agreement, the Restaurant, and the parties' business relationship (this requirement applies to Franchisee and each Controlling Principal), (3) paying Company a renewal fee equal to 25% of the sum of Company's then current development fee and franchise fee, and (4) not later than 30 days before the primary term's scheduled expiration date, completing the remodeling, refurbishing and modernizing of the Restaurant's interior and exterior, including its furniture, fixtures, signs, equipment, Information System and Trade Dress, to conform to the standards Company then stipulates (regardless of cost).

(c) Franchisee's failure or refusal to comply with any of the four conditions to renewal stated in Section 11(b), each of which Franchisee acknowledges to be reasonable and material, will be interpreted as a conclusive, irrevocable election on Franchisee's part not to renew the term of the franchise.

(d) The relationship between Company and Franchisee during the renewal period will be governed by the provisions of Company's then current renewal form of Franchise Agreement, including those pertaining to royalties, advertising, competitive protection and concept modifications. Whether or not Franchisee actually signs a then current renewal form of Franchise Agreement, Franchisee will be conclusively presumed to have assented to and to have agreed to be bound by its terms by continuing to operate the Restaurant for one day past the primary term's expiration date (although such continued operation by Franchisee shall not effect a renewal of the franchise nor obligate Company to renew the franchise).

(e) If Franchisee does not qualify to renew, or elects not to renew, the franchise, Company will permit Franchisee to transfer the franchise to a qualified purchaser in accordance with Section 13. If, in the exercise of diligent, good faith efforts by Franchisee, the transfer cannot be completed before the franchise's scheduled expiration date, Company may, in its sole discretion (but has no obligation to), extend the franchise's term from month-to-month for so long as Company believes that Franchisee is continuing to make a conscientious effort to negotiate and complete a transfer and on the condition that Franchisee and each Controlling Principal signs a general release, in form and substance satisfactory to Company, of any and all claims against Company and its Affiliates, and all of their respective owners, officers, directors, and agents, arising out of or relating to this Agreement, the Restaurant, and the parties' business relationship. If Company allows Franchisee to extend in order to complete a transfer, Franchisee will operate the Restaurant during the interim period in accordance with Company's then current form of Franchise Agreement.

(f) If Franchisee does not qualify to renew, or elects not to renew, the franchise and it therefore expires, immediately after expiration, Franchisee must comply with the requirements of Section 17(a), and Company will have the rights and remedies provided in Sections 17(a) through 17(j).

12. USE OF INTELLECTUAL PROPERTY.

(a) **Marks and Copyrighted Materials.** Franchisee acknowledges that Company is authorized by law to prevent the unauthorized use of the Marks, to control the quality of goods and services associated with the Marks, and to control the copying and distribution of the Copyrighted

Materials. Recognizing the importance to Company and other members of the Wingstop franchise system of the protection and preservation of the Marks and Copyrighted Materials, Franchisee agrees to perform and abide by the following provisions:

(1) Franchisee acknowledges that Company is the lawful and rightful owner of each and all of the Marks and the Copyrighted Materials, that Franchisee's interest in the Marks and the Copyrighted Materials is solely that of a licensee, and that all uses of the Marks and the Copyrighted Materials by Franchisee will be attributed to Company for purposes of trademark and copyright law. Franchisee unconditionally disclaims any ownership interest in any of the Marks and the Copyrighted Materials.

(2) Franchisee shall not use "Wingstop" or any abbreviation, acronym or variation of that word as part of its name or as part of the name of any Business Entity in which Franchisee owns or holds an interest. However, Franchisee may, if required by law, file an assumed name or fictitious name certificate to the effect that Franchisee is operating the Restaurant under a trade name that includes the Wingstop service mark.

(3) Franchisee shall not use any of the Marks or the Copyrighted Materials in connection with the advertisement, promotion, sale or distribution of any merchandise not listed in Company's authorized Restaurant merchandise list or any service not customarily offered by Restaurants. Specifically, Franchisee shall not use menus, guest checks, carry-out containers, discount coupons, labels or other materials bearing the Wingstop trademark, service mark or logo to advertise, promote, sell or distribute any unapproved merchandise, product or service.

(4) Franchisee shall not copy, distribute or otherwise disseminate any of the Copyrighted Materials in violation of the restrictions and limitations imposed by this Agreement.

(5) Franchisee shall not use any of the Marks or the Copyrighted Materials in connection with the development or operation of any Restaurant (except the one covered by this Agreement) until Company and Franchisee have both signed a Franchise Agreement for the additional Restaurant or any Special Outlet until Company has given Franchisee written authorization to install and operate the Special Outlet.

(6) Franchisee shall (i) adopt and use all additional trade names, trademarks, brand names, Copyrighted Materials, slogans, commercial symbols and logos Company develops from time to time, (ii) use all the Marks in the precise form Company prescribes, and (iii) observe Company directions regarding the use, copying and distribution of the Copyrighted Materials, the presentation of the Marks and the manner of the Marks' display and use. Franchisee shall promptly abandon and discontinue the use of any Mark or Copyrighted Materials that Company judges to be obsolete or no longer characteristic of the image Restaurants should project. Franchisee shall submit to Company all paper goods, advertisements and promotional materials not furnished by Company for its approval prior to use.

(7) Franchisee shall not use any of the Marks on any goods and/or for any services otherwise than in compliance with specifications Company issues from time to time and with such other quality control measures that Company may adopt to promote and defend the goodwill associated with the Marks.

(8) Franchisee shall not knowingly permit, and shall promptly report to Company, any apparently unauthorized use of a Mark and any apparently unauthorized use or copying of any Copyrighted Materials by any person, or the use by any person of a trade name, trademark, service mark or symbol that might be construed as an infringement of any Mark or as unfair competition or passing-off

at common law, and shall actively cooperate with the Company in the investigation of infringement claims and in discovery and trial proceedings related to infringement actions. Company reserves the right to make the final determination of infringement or other unlawful use, to conduct all legal proceedings relating to the Marks and the Copyrighted Materials, and to compromise or settle all infringement claims.

(9) At no time shall Franchisee make any written or oral admission that a Mark or any of Company's copyrights is in any way invalid or infringes the rights of any person or is open to any other form of attack, but shall promptly notify Company of any allegation of invalidity or infringement of which Franchisee becomes aware. Company intends to defend its rights in the Marks and the Copyrighted Materials vigorously, but does not warrant to Franchisee that Company's ownership of any of them is incontestable or that they do not infringe or conflict with the rights of any third party.

(10) Upon the expiration or termination of the franchise, Franchisee shall immediately discontinue all further uses of the Marks and Copyrighted Materials and shall take appropriate action to remove the Marks from the premises in which the Restaurant is located, to cancel any advertising relating to Franchisee's use of the Marks or the Copyrighted Materials, including yellow pages listings, and to cancel or withdraw any assumed or fictitious name filings covering Franchisee's use of Company's trade name. Franchisee acknowledges and agrees that failure or refusal to comply fully with these requirements will constitute willful trademark and copyright infringement.

(b) **The System, Trade Secrets and Operations Manual.** Franchisee acknowledges that the System and the Trade Secrets belong exclusively to Company and that the ideas and information in the Operations Manual are Company's sole and exclusive property. Franchisee further acknowledges that the unauthorized disclosure or use of any confidential element of the System, any Trade Secret or any other information the Operations Manual contains may adversely affect the business, competitive position and goodwill of Company and its franchisees. Accordingly, Franchisee agrees to perform and abide by the following provisions and restrictions, each of which shall survive the expiration or termination of this Agreement and shall be perpetually binding upon Franchisee.

(1) Franchisee shall hold the elements of the System, the Trade Secrets and the contents of the Operations Manual in strict confidence, shall not disclose any Trade Secret or any operating or management procedure to any Person other than Franchisee's General Manager and bona fide employees of the Restaurant to whom such disclosure is necessary in relation to their job duties, and shall instruct and routinely remind Franchisee's employees that the System, the Trade Secrets and the contents of the Operations Manual are confidential and may not be disclosed, copied in whole or in part, or appropriated. If Franchisee is a Business Entity, it will not disclose any element of the System, any of the Trade Secrets or the contents of the Operations Manual, or make the Operations Manual available, to any Principal, director or officer of Franchisee other than its General Manager and other senior executive officers, if any, who are actively and regularly involved in the Restaurant's management and have agreed to maintain the confidentiality of such items and information.

(2) Franchisee shall not use any element of the System, any of the Trade Secrets or the operating, management or marketing procedures the Operations Manual contains in connection with the operation of any establishment or enterprise other than the Restaurant, and shall promptly discontinue use of the System, the Trade Secrets and the operating, management and marketing procedures the Operations Manual contains upon the expiration or termination of the franchise.

(3) Franchisee shall not, without Company's prior written consent, copy or permit any person to copy or reproduce any part of the Operations Manual and any other printed, graphic or audio/visual item designated by Company as containing Trade Secrets or otherwise permit their use or inspection by any person other than Franchisee, the General Manager, bona fide employees of the

Restaurant to whom such disclosure is necessary in relation to their job duties, and authorized Company representatives, all of whom must agree to maintain the confidentiality of such items and information.

(4) Franchisee acknowledges and agrees that the version of the Operations Manual on file in Company's offices constitutes the standard, official version for purposes of resolving any question or dispute concerning the Operations Manual's contents.

(5) Franchisee shall obtain from each of Franchisee's General Managers, supervisors and managerial level employees of the Restaurant a confidentiality agreement that is valid and enforceable under the laws of the state in which the Restaurant operates and that imposes the restrictions and limitations of this Section 12(b) on each such individual for the longest period applicable law permits. Each confidentiality agreement shall designate Company as a third party beneficiary and shall entitle Company to enforce its provisions directly against the signatory General Manager, supervisor or manager. Company reserves the right to require that all Persons with access to Trade Secrets and other Confidential Information, including Principals, employees, managers, officers, and directors, execute a non-disclosure agreement approved by Company.

(6) Franchisee shall keep the Operations Manual and any other printed, graphic or audio/visual item designated by Company as containing Trade Secrets in the Restaurant at all times and shall promptly return them to Company upon the expiration or termination of the franchise.

(7) Franchisee expressly acknowledges that all employee training materials (including DVDs and CD-ROM disks) and all computer programs developed by Company or in accordance with its specifications contain information, embody procedures or facilitate business practices that are proprietary to Company and fall within the parameters of its Trade Secrets.

(c) Internet Domain Name and Intranet Network.

(1) Franchisee acknowledges that Company is the lawful, rightful and sole owner of the www.wingstop.com domain name and unconditionally disclaims any ownership interest in that phrase or any colorably similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains the word Wingstop or any abbreviation, acronym or variation of that word.

(2) If and when Company develops an Intranet network through which Company and its franchisees can communicate by e-mail or similar electronic means, Franchisee agrees to use the facilities of the Wingstop Intranet in strict compliance with the standards, protocols, terms, and restrictions Company includes in the Operations Manual. Franchisee especially recognizes the crucial importance of a user's not transmitting Confidential Information, documents or data via the Wingstop Intranet without first encrypting the transmission with the encryption program Company adopts. Franchisee also recognizes the importance of a user's refraining from making derogatory, defamatory or libelous statements in an Intranet transmission.

Franchisee further acknowledges that this Agreement in no way can be construed to be used as collateral on which any lender may rely with respect to Company.

13. TRANSFERS.

Company shall have the right to transfer or assign this Agreement and all or any part of its rights, interests or obligations herein, or allow a transfer, assignment, or sale of any (or all) ownership interest in Company, to any Person without Franchisee's consent. Specifically, and without limitation of the

foregoing, Franchisee agrees that Company may sell its assets (including this Agreement), the Marks or the System or Trade Secrets to a third party; may offer its securities privately or publicly; may merge, acquire other Business Entities or be acquired by another Business Entity; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Company arising from or related to the transfer of this Agreement, the Marks (or any variation thereof) or the System from Company to any other party. Nothing contained in this Agreement shall require Company to offer any services or products, whether or not bearing the Marks, to Franchisee if Company assigns its rights in this Agreement.

(a) **Limitations on Transfer.** Franchisee acknowledges that the integrity of the Wingstop Restaurant concept and the stability of the Wingstop Restaurant franchise system depend on the business qualifications, financial capabilities, honesty and integrity of Company's franchisees. Franchisee further acknowledges that Company's lack of opportunity to evaluate and approve each potential franchisee's qualifications and the terms of each proposed transfer could irreparably damage the Wingstop franchise system. Consequently, Franchisee agrees not to sell, assign, transfer, give away, pledge, mortgage or otherwise dispose of any interest in the Restaurant, the franchise, the Restaurant's assets (excluding food products and merchandise sold in the ordinary course of business), or Franchisee's rights under this Agreement without Company's prior written consent. If Franchisee is a Business Entity, any sale, transfer or other disposition of any Controlling Ownership Interest in Franchisee (except a limited partnership interest) shall be considered a transfer covered by and subject to the terms and conditions of this Section 13. (However, the transfer of any ownership interest in Franchisee, not just a Controlling Ownership Interest, is subject to Company's right of first refusal under Section 13(g).) Any transfer lacking Company's prior written consent, or that otherwise violates the restrictions in this Section 13, will be ineffective against Company and will constitute a default under Section 16(b)(21). There may be no transfer or sale of the Restaurant or its assets (excluding food products and merchandise sold in the ordinary course of business) without a transfer of this franchise to the same party. Franchisee shall not place "For Sale" or similar signs at or in the general vicinity of the Restaurant or use any words in any advertising for the Restaurant's proposed sale that identify the business offered for sale as a Wing-Stop® Restaurant.

(b) **Conditions to Voluntary Transfer of Rights.** Franchisee may not assign or transfer the franchise before the Restaurant opens for business under any circumstances except those described in Section 13(f). After the Restaurant opens, Company, in its sole judgment, may consent to a voluntary disposition of Franchisee's interest in the franchise under this Agreement provided that all of the following provisions are met:

(1) In accordance with Company's right of first refusal, Franchisee (or its Principal) must first offer (in writing) to sell the Restaurant or the Principal's ownership interest in Franchisee to Company on the same terms and conditions offered by a bona fide third party purchaser. After receipt of all of the items listed below in subparagraphs (2) and (5) and any other information that Company reasonably requests, Company will have 30 days to conduct due diligence on the offer and to notify Franchisee whether or not Company wishes to exercise its right of first refusal. The right of first refusal process is described in Section 13(g).

(2) Franchisee must furnish Company a copy of the written offer or contract of sale, including price and payment terms, together with Franchisee's (i) recent balance sheet, profit and loss statement and statement of cash flows of the Restaurant (and of Franchisee if it is a Business Entity), (ii) copies of Franchisee's building and equipment leases and all amendments or addenda thereto, (iii) equipment list, (iv) schedule of notes and trade accounts then payable by Franchisee, and (v) copies of any other information that Franchisee or the proposed seller furnishes to the prospective buyer and/or

transferee. No contract of sale for the transfer of this franchise and the Restaurant, or an ownership interest in Franchisee, may be used as collateral for any transaction.

(3) Company, in its sole discretion, determines that the transferee will be able to satisfy any debt obligations to Franchisee and still derive a reasonable profit from the Restaurant's operation.

(4) At the time of the request for transfer and at the time of transfer, Franchisee is in full compliance with Franchisee's obligations under this Agreement, including payment of all monetary obligations due Company and its Affiliates.

(5) The transferee must complete Company's application process, including, but not limited to, having a satisfactory credit rating, background and reference checks, and provide Company pro forma profit and loss and cash flow projections for the 24 months following the transfer (including provisions for principal and interest on any obligations to make payments to Franchisee). These projections must demonstrate to Company's reasonable satisfaction that the transferee can operate the Restaurant without experiencing a loss or negative cash flow. If these projections, as adjusted to take into account factors Company points out, indicate that the transferee may experience a loss or negative cash flow, but Franchisee and the transferee prevail upon Company to approve the transfer anyway, the transferee must waive any claims against Company related to Company's approval of an economically questionable transaction. Transferee must also furnish copies of the Charter Documents if transferee is a Business Entity. Company has the right to request and receive from the prospective buyer or transferee a complete application in the same manner as a prospective franchisee must complete and submit an application for review and approval (or disapproval) by Company. Company has the right, in its sole discretion, to approve or disapprove the transferee and the transaction.

(6) If Company provides written notice of approval of the transferee, the transferee must produce proof of financing in a form similar to a commitment letter from the lending institution within 30 days after the date of Company's approval letter.

(7) The transferee executes then current forms of Franchise Agreement (which will limit the term of the transferee's franchise to the unexpired term of Franchisee's franchise), Assignment of Telephone Number(s), Authorization Agreement for Preauthorized Payments, and other collateral agreements Company may then require.

(8) Concurrent with the execution of the then current form of Franchise Agreement, each general partner or controlling principal of the transferee executes a Guaranty substantially in the form appended to this Agreement.

(9) Concurrent with the execution of the then current form of Franchise Agreement, the transferee provides Company a waiver and release with respect to liability for any financial data, earnings claims, representations and other information Franchisee or its representatives provided the transferee.

(10) Concurrent with the execution of the then current form of Franchise Agreement, Company receives a \$10,000 transfer fee from either Franchisee or the transferee.

(11) The transferee and the transferee's General Manager satisfactorily complete Company's training program.

(12) The proposed transfer or other disposition involves the complete disposition of the franchise (unless it involves the transfer of a non-Controlling Ownership Interest in Franchisee), and Franchisee terminates the franchise and related rights under this Agreement in writing.

(13) Franchisee and each Principal must give Company an unconditional, general release, in form and substance satisfactory to Company, of all claims they may have against Company and its Affiliates and their respective owners, directors, officers, and agents.

(14) Franchisee returns the Operations Manual and all Copyrighted Materials to Company, or an acknowledgment is signed by the transferee confirming receipt of same and sent to Company within three (3) business days after the transfer becomes effective. Transferee is solely responsible for bringing the Restaurant into full compliance with Company's then current standards as set forth in the most current form of Operations Manual.

(15) Franchisee provides Company an adequate opportunity to comply with applicable laws, including franchise disclosure laws, in connection with the proposed transfer.

(16) If, at any time, any material change is made in the offer of sale, this constitutes a new offer and all of the conditions and requirements of Section 13(b)(1-15) will apply.

(c) **Involuntary Transfers.** No involuntary transfer or partitioning of Franchisee's interest in the franchise or this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, will be effective against Company unless and until the transferee (i) furnishes Company a signed Guaranty under which the transferee agrees to be jointly and severally liable for the payment of Franchisee's monetary obligations under this Agreement, whether or not such obligations are then delinquent, (ii) agrees in writing to be personally bound by the confidentiality provisions and restrictive covenants in this Agreement, and (iii) unless the transfer encompasses Franchisee's total interest in the franchise and this Agreement, irrevocably designates and appoints Franchisee to be the transferee's agent and attorney-in-fact with whom Company may deal for all purposes expressed in or contemplated by this Agreement.

(d) **Conditions to Equity Transfer.** Company will not permit the transfer of a Controlling Ownership Interest in a Business Entity Franchisee before the Restaurant opens for business under any circumstances except those described in Section 13(f)(1). After the Restaurant opens, Company, in its sole judgment, may consent to a voluntary or involuntary sale, assignment or transfer of a Controlling Ownership Interest in a Business Entity Franchisee, provided that all of the following provisions are met:

(1) At the time of transfer, Franchisee is in full compliance with its obligations under this Agreement, including payment of all monetary obligations due Company.

(2) Each proposed transferee of a general partnership interest in a partnership Franchisee and each proposed transferee of a Controlling Ownership Interest in a Business Entity Franchisee meets Company's standards for qualifying as a new Restaurant Franchisee (including no ownership interest in or performance of services in any capacity for a competitive business) and each controlling principal of the Business Entity Franchisee delivers a signed Guaranty to Company.

(3) The transfer, Franchisee, and the transferee comply with all of the provisions in Section 13(b), even if the transferee already is a Principal of Franchisee.

(4) Franchisee and each Principal must give Company an unconditional, general release, in form and substance satisfactory to Company, of all claims they may have against Company and its Affiliates and their respective owners, directors, officers, and agents.

(5) Company chooses not to exercise its right of first refusal under Section 13(g).

(e) **Waiver of Interference Claims.** Franchisee acknowledges that Company has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Franchisee. Franchisee also acknowledges that Company's contact with potential transferees for the purpose of protecting its business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Company to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, to communicate candidly with the transferee regarding the nature of Franchisee's operation of the Restaurant, and to withhold consent to economically questionable transactions. Franchisee waives any claim that action Company takes in relation to a proposed transfer to protect its business interests constitutes tortious interference with contractual or business relationships.

(f) **Special Transfers.**

(1) If Franchisee is an individual or partnership who at any time advises Company that Franchisee wants to assign the franchise to a corporation or limited liability company in which Franchisee will own a 100% voting equity interest (and, in the case of a partnership, with share ownership in the corporation or limited liability company apportioned substantially the same as were the partnership interests), Company will consent to the assignment and waive payment of a transfer fee and its right of first refusal under Section 13(g) upon its receipt of such documentation and information concerning the corporation or limited liability company and its Principals as Company may reasonably request. The required documentation will include, without limitation, (i) a certified list of the company's stockholders or beneficial owners (designating the amount and percentage of stock or units of beneficial ownership each Principal owns), (ii) a Guaranty signed by each Controlling Principal, and (iii) an express assumption by the company of Franchisee's obligations under this Agreement.

(2) If Franchisee is a Business Entity, Company hereby consents to assignments and transfers of ownership interests, that are not Controlling Ownership Interests, as long as Company chooses not to exercise its right of first refusal under Section 13(g) with respect to that ownership interest and receives a Guaranty signed by each Controlling Principal of a corporate or limited liability company Franchisee, or general partner in a partnership Franchisee, who has not previously signed a Guaranty together with a revised Exhibit E. If Company agrees to release any retiring stockholder, partner or beneficial owner from further liability under a Guaranty, the retiring stockholder, partner or beneficial owner must also give Company an unconditional, general release, in form and substance satisfactory to Company, of any claims the stockholder, partner or beneficial owner may have against Company and its Affiliates and their respective owners, directors, officers, and agents.

(3) If Franchisee is an individual, Franchisee may effect a transfer under Section 13(f)(1) and simultaneously or later transfer less than a Controlling Ownership Interest in a Business Entity's beneficial ownership to any combination of Franchisee's spouse, natural or adopted children or an inter vivos (lifetime) trust created for the benefit of Franchisee's spouse and/or children. Company will consent to the transfer and waive payment of a transfer fee and its right of first refusal under Section 13(g) upon its receipt of such documentation and information concerning the transfer and the resulting ownership of the Franchisee's stock or units of beneficial ownership as Company may reasonably request. The required documentation will include, without limitation, (i) a certified list of the Business Entity's equity owners (designating the amount and percentage of stock or units of beneficial

ownership each equity owner owns), and (ii) a Guaranty signed by each Controlling Principal who has not previously signed a Guaranty.

(4) If Franchisee is a Business Entity, each of Franchisee's Principals may transfer less than a Controlling Ownership Interest in Franchisee to any combination of the person's spouse, natural or adopted children or an inter vivos trust created for the benefit of the person's spouse and/or children. Company will consent to the transfer and waive payment of a transfer fee and its right of first refusal under Section 13(g) upon its receipt of such documentation and information concerning the transfer and the resulting ownership of Franchisee as Company may reasonably request. The required documentation will include, without limitation, (i) a certified list of the Franchisee's equity owners (designating the amount and percentage of stock, partnership interests or units of beneficial ownership each Principal owns), and (ii) a Guaranty signed by each Controlling Principal who has not previously signed a Guaranty.

(g) **Right of First Refusal.** If Franchisee (or any of its Principals) at any time determines to sell or transfer for consideration an interest in this Agreement and the Restaurant, or any ownership interest in Franchisee (not just a Controlling Ownership Interest in Franchisee) (except to or among Franchisee's current Principals, which is not subject to this subsection), in a transaction that otherwise would be allowed under Section 13, Franchisee (or its Principals) agrees to obtain from a responsible and fully disclosed buyer, and send Company, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in Franchisee or in this Agreement and the Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 13(a), (b), and (d) above. Company may require Franchisee (or its Principals) to send Company copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Company may, by written notice delivered to Franchisee or its selling Principal(s) within thirty (30) days after Company receives both an exact copy of the offer and all other information Company requests, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that (1) Company may substitute cash for any form of payment proposed in the offer (such as ownership interests in a Business Entity), (2) Company's (or its designee's) credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, Company or its designee may provide promissory notes with the same terms as those offered by the proposed buyer), (3) Company will have no less than forty-five (45) additional days to prepare for closing after notifying Franchisee of its election to purchase, (4) Company must receive, and Franchisee and its Principals agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a Business Entity, as applicable, including, without limitation, representations and warranties regarding ownership and condition of and title to ownership interests and/or assets; liens and encumbrances relating to ownership interests and/or assets; and validity of contracts and the liabilities, contingent or otherwise, of the Business Entity whose assets or ownership interests are being purchased, and (5) if the price offered to Franchisee or its Principal for the interest proposed to be transferred includes all or a portion of the transfer fee referenced in Section 13(b), Company may reduce the purchase price it must pay (if it exercises its right of first refusal) by the amount of that transfer fee (or portion of the transfer fee). Once Franchisee submits the offer and related information to Company triggering the start of the thirty (30) day decision period referenced above, the offer is irrevocable for that thirty (30) day period. This means that

Company has the full thirty (30) day period to decide whether to exercise its right of first refusal and may choose to do so even if Franchisee or its Principal(s) changes its, his, or her mind during that period and prefers after all not to sell the particular interest that is the subject of the offer. Franchisee and its Principal(s) may not withdraw or revoke their offer for any reason during the thirty (30) day period, and Company may exercise the right to purchase the particular interest in accordance with the terms of this Section. Company has the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

If Company or its designee does not exercise the right of first refusal, Franchisee or its Principal(s) may complete the sale to the proposed buyer on the original offer's terms, but only if Company otherwise approves the transfer in accordance with, and Franchisee (and its Principals) and the transferee comply with the conditions in, this Section 13. This means that, even if Company does not exercise its right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under this Section 13, Franchisee (or its Principals) may not move forward with the transfer at all.

If Franchisee (or its Principals) do not complete the sale to the proposed buyer within sixty (60) days after Company notifies Franchisee that Company does not intend to exercise its right of first refusal, or if there is a material change in the terms of the sale (which Franchisee agrees to tell Company promptly), Company or its designee will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or Company's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Company's or its designee's option.

(h) Purchase Upon Franchisee's Death or Disability.

(1) This Section 13(h) applies only if (i) an individual Franchisee, a general partner owning at least a Controlling Ownership Interest in a partnership Franchisee, or a beneficial owner owning at least a Controlling Ownership Interest of a Business Entity Franchisee dies or becomes disabled during the term of the franchise, and (ii) the death or disability results in a change in executive-level responsibility for managing the franchised business.

(2) During the first 120 days after the death or disability occurs, Company will evaluate the new management's willingness and ability to operate the Restaurant in compliance with this Agreement. By the end of the 120-day evaluation period, Company will decide whether the new management is qualified to manage the Restaurant and will notify management of its decision. As conditions to continuing the franchise relationship, each Controlling Principal of Franchisee must furnish Company a signed Guaranty, and any deficiency in Franchisee's compliance with the requirements of this Agreement must be cured. Further, Company may require the new management to attend and satisfactorily complete the training program provided under Section 6(a)(3).

(3) If any of the conditions stated in Section 13(h)(2) are not satisfied, or if Company decides that the new management has not adequately demonstrated its business qualifications or commitment to the franchise relationship, the owners of the franchise will have 120 days after delivery of Company's notice to sign a binding contract to sell the franchise to a buyer approved by Company in accordance with, and in a transaction structured to comply with, Section 13(b) or 13(d), whichever is applicable. The proposed sale will be subject to Company's right of first refusal under Section 13(g).

(4) If a binding contract of sale is not signed before the 120-day selling period expires, or if a contract is signed but the proposed sale is not concluded within the required timeframe after Company chooses not to exercise its option under Section 13(g), Company will have an additional option during the next 30 days to purchase the interest in the franchise or in Franchisee that the deceased

or disabled person held at the date of death or disability. The purchase price for the interest will be its fair market value, determined through negotiations or by appraisal. Unless otherwise agreed by the parties, the purchase price will be payable in cash at closing. If Company delivers written notice of its intention to exercise the option within the 30-day period, the option will be considered effectively exercised whether or not the purchase is actually consummated within the 30-day period.

(5) If the parties fail to agree on a purchase price for the interest within 21 days after delivery of Company's notice, the issue will be submitted as promptly as possible to a group of three appraisers who are experienced in valuing similar franchises, one of whom will be selected by Company, another by the decedent's estate, and the third by the first two appraisers. All parties agree to submit to such appraisal proceedings, to be bound by the decision of a majority of the appraisers and to share payment of the appraisers' fees and expenses equally.

14. INTEREST ON DELINQUENT ACCOUNTS

If Franchisee fails to make any royalty, marketing fee, Ad Fund contribution or other payment to Company or its Affiliates within five business days after it is due, the amount payable will bear interest from the date it became due through the date of payment at the highest commercial contract rate of interest permitted by applicable law. Any interest collected is nonrefundable. Nothing in this Agreement shall obligate Franchisee or any guarantor of Franchisee's obligations to pay, or entitle Company to collect, interest in excess of the maximum rate applicable law permits. If, for any reason, Company charges or receives interest in excess of the maximum rate permitted by applicable law, the excess shall be applied as a payment against the principal amount of Franchisee's other obligations under this Agreement. If no other obligations are due, Company shall refund the excess payment to the party that paid it within 30 days after Franchisee's written request. After 30 days, no refunds will be granted.

15. RESTAURANT RELOCATION.

(a) If the lease for the Restaurant expires or is terminated (other than by Franchisee's and the landlord's mutual consent) before the end of the franchise's term, Franchisee may move the Restaurant to another location chosen in accordance with the site selection procedure outlined in the Development Agreement within 60 days after expiration or termination of the lease. The new location (i) must be in the Trade Area (as determined by Company in its sole judgment), and (ii) may in no case infringe another Restaurant's protected trade area. When Company approves the location for the new Restaurant, Company will prepare a new Exhibit B to this Agreement that describes the new Restaurant's Trade Area. The new Exhibit B will replace the Exhibit B attached to this Agreement for all purposes of this Agreement, including that of identifying the area in which Franchisee will enjoy competitive protection pursuant to Section 4.

(b) If Franchisee loses possession of the original Restaurant premises because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of a default termination, Franchisee must initiate the relocation procedure in time to lease, build-out and open the new Restaurant for business within 60 days after the original Restaurant closes. If Franchisee's lease is terminated on account of a fire or other casualty, Franchisee must initiate the relocation procedure in time to lease, build-out and open the new Restaurant for business within 120 days after the lease for the original Restaurant terminates.

(c) If Franchisee desires to relocate the Restaurant to a new site even though it has not lost possession of the original Restaurant premises due to an event described in subparagraph (b) above, Franchisee may do so only if it obtains Company's prior written consent, satisfies Company's conditions for such a relocation (which Company may impose as it deems best), and reimburses Company for the

costs it reasonably incurs in connection with the location (which may include a relocation fee to be determined by Company).

16. DEFAULT.

(a) If any event or condition listed in this Section 16 (an “Event of Default”) occurs, Franchisee will be in default under this Agreement; the occurrence of an Event of Default is not predicated on notice of default by Company. Company’s failure to take prompt action with respect to a particular Event of Default will not constitute a waiver of that or any subsequent Event of Default.

(b) Following are Events of Default that Franchisee (or another responsible party) may cure by taking appropriate remedial action within a prescribed time after Company demands remedial action. Unless Franchisee (or another responsible party) cures such an Event of Default before the end of the indicated remedial period, Company may terminate the franchise or take any of the other actions Section 17 permits. If the Event of Default is cured to Company’s satisfaction before Company gives Franchisee notice of termination, Company will not proceed under Section 17. If an Event of Default appears in more than one subparagraph below in this Section 16(b), or in this Section 16(b) and in Section 16(c), Company may choose to give Franchisee the shorter time period to cure the particular Event of Default (if different cure periods are provided in different subparagraphs) or no opportunity to cure the particular Event of Default (if a subparagraph provides that an Event of Default cannot be cured).

(1) Franchisee fails to construct and open the Restaurant in compliance with Sections 7(b), 7(c)(1), 7(c)(2) or 7(c)(5), or to complete Company’s training program in accordance with Section 7(c)(3). REMEDY: Franchisee must complete any unfulfilled requirement within 15 days after Company notifies Franchisee in writing of the action to be taken.

(2) Franchisee fails to fulfill any requirement, to perform any obligation, or to observe any restriction set forth in Sections 5, 7(a), 7(c)(4), 7(c)(6) through 7(c)(9), 7(c)(11) through 7(c)(14), 7(c)(16), 7(c)(17), 7(c)(19) through 7(c)(21), 7(c)(25) or 7(c)(26). REMEDY: Franchisee must correct any element of noncompliance within 30 days after Company notifies Franchisee in writing of the remedial action to be taken.

(3) Franchisee fails to pay any trade obligation due to a vendor with whom Company or any of its Affiliates does business, as a result of which the vendor withholds or threatens to withhold the sale of goods or services, or withdraws or threatens to withdraw the availability of normal trade terms, to Company, any Company Affiliate or another franchisee. REMEDY: Franchisee must pay the obligation in full within 10 days after Company makes written demand for payment, unless Franchisee is actively contesting the amount or validity of the vendor’s claim in good faith and promptly furnishes Company a statement of the reasons Franchisee is withholding payment and the action Franchisee is taking to resolve the dispute. So long as Company concurs that Franchisee is actively contesting the claim in good faith, Franchisee may continue withholding payment of the disputed amount until the dispute is resolved.

(4) Franchisee fails to take appropriate action to correct any condition noted as “unsatisfactory” or “needs improvement” in any QSC Inspection report within 15 days after receiving a copy of the report. REMEDY: Franchisee must initiate appropriate corrective action within five business days after Company notifies Franchisee in writing of the condition to be corrected and must complete the corrective action within a reasonable time.

(5) Franchisee fails to submit when due a report required by Section 7(a)(4) or 7(c)(22), a financial statement required by Sections 7(c)(22), (23), (25), or (26) or a tax return required by

Section 7(c)(23) promptly after Company requests it. REMEDY: Franchisee must submit the report, financial statement or tax return within 10 days after Company makes written demand upon Franchisee for its submission.

(6) Franchisee fails to fulfill any requirement or to perform any obligation set forth in Section 8 with respect to advertising and promotions (other than a failure to make marketing fee or Ad Fund contributions, which are covered by Sections 14 and 16(b)(20)) or in Section 13(f). REMEDY: Franchisee must correct the failure or breach within 30 days after Company gives Franchisee written notice specifying the default.

(7) Franchisee or any other Person bound under Section 23 attempts to hire an employee of Company or another franchisee in violation of Section 7(c)(10); fails or refuses to honor a request for indemnification under Section 7(c)(27); breaches any restriction or obligation set forth in Section 9 or any related terms of use agreement; breaches any covenant or obligation set forth in Section 12; or otherwise makes any unauthorized use of a Mark, an item of Copyrighted Materials or an element of the System. REMEDY: The breaching party must remedy the breach, honor the request or permanently cease the unauthorized use within 10 days after Company makes written demand upon Franchisee to take specified curative action.

(8) Franchisee asserts a claim to, or alters, the Wingstop domain name, any Mark, any item of Copyrighted Materials or any element of the System adverse to Company's interests. REMEDY: Franchisee must immediately cease use of such alteration and/or unconditionally withdraw the claim within 10 days after Company makes written demand that Franchisee do so.

(9) The lease for the Restaurant expires or is terminated and Franchisee fails to relocate the Restaurant in accordance with Section 15. REMEDY: Franchisee must reopen the Restaurant in another approved location within 15 days after Company makes written demand that Franchisee do so.

(10) Franchisee knowingly engages in any activity or business practice that Company reasonably considers detrimental to the goodwill and public image of the Wingstop franchise system. REMEDY: Franchisee must permanently cease the activity or business practice within 10 days after Company makes written demand upon Franchisee to cease any activity specified in the notice.

(11) Franchisee operates a Delivery Service other than in accordance with Section 2(c)(2). REMEDY: Franchisee must permanently cease the activity within 10 days after Company makes written demand upon Franchisee to do so.

(12) Franchisee sells to any wholesale or retail customer the ingredients (including Company's proprietary sauces and seasonings) from or with which any menu item is prepared. REMEDY: Franchisee must permanently cease the activity within 10 days after Company makes written demand upon Franchisee to do so.

(13) Franchisee sells Wing-Stop® brand food, memorabilia or other merchandise from catalogues, an Internet Website or a Special Outlet without Company's express prior permission. REMEDY: Franchisee must permanently cease the activity or business practice within 10 days after Company makes written demand upon Franchisee to do so.

(14) Franchisee operates a Special Outlet without Company's prior written permission. REMEDY: Franchisee must permanently cease the activity or business practice within 10 days after Company makes written demand upon Franchisee to do so.

(15) Franchisee sells any products or services not approved by Company. REMEDY: Franchisee must permanently cease the activity or business practice within 10 days after Company makes written demand upon Franchisee to do so.

(16) Franchisee fails to remodel the Restaurant in accordance with the plans and specifications provided to Franchisee under Section 5 or as such plans may be adapted with Company's approval. REMEDY: Franchisee must correct any element of noncompliance within 30 days after Company notifies Franchisee in writing of the remedial action to be taken.

(17) Franchisee fails to procure and maintain the insurance policies required by Section 7(c)(26). REMEDY: Franchisee must cure such default within 10 days after Company makes written demand upon Franchisee to do so.

(18) Franchisee fails to comply with the software license requirements or hardware upgrades in Section 5 or the Operations Manual. REMEDY: Franchisee must correct the failure or breach within 10 days after Company gives Franchisee written notice specifying the default.

(19) Franchisee fails at any time to have employed at the Restaurant a qualified General Manager or Assistant Manager. REMEDY: Franchisee must correct the failure or breach within 30 days after Company gives Franchisee written notice specifying the default.

(20) Franchisee fails to pay in full when due any royalty or marketing fee payment (including any fines) in accordance with Section 10(b), any Ad Fund or Area Cooperative contribution in accordance with Section 8, or any other amount owed to Company or its Affiliates. ACTION - Franchisee must make payment in full, with interest as provided in Section 14, within 5 days after Company makes written demand upon Franchisee to do so.

(21) Franchisee or any other Person bound under Section 23 either (i) fails to observe or comply with the requirements of Section 13 in connection with any sale, assignment or transfer, or (ii) makes a material representation in any transfer request or document in support of a transfer request. ACTION - Franchisee must correct within 10 days all elements of non-compliance, including misrepresentations, before the sale, assignment or transfer is completed (including correction of misrepresentations in time for Company to have a reasonable opportunity to consider and act on the corrected information).

(c) Following are Events of Default that are irreversible and cannot be cured; Franchisee will have no opportunity to cure these Events of Default.

(1) Franchisee or any other Person bound under Section 23 breaches the non-competition covenant in Section 19 or the covenants concerning use of the System, the Operations Manual or the Wingstop Intranet in Sections 12(b)(1), 12(b)(2), 12(b)(3), or 12(c)(2).

(2) Franchisee sells the Restaurant's assets or transfers possession of its premises in violation of Section 7(c)(28) or abandons the Restaurant. Franchisee will be conclusively presumed to have abandoned the Restaurant if Franchisee fails to open it for retail trade during normal business hours on more than three consecutive days or on more than four of any 10 consecutive days, in either case excluding periods the Restaurant is undergoing major renovations or remodeling in accordance with a schedule Franchisee has worked out with Company.

(3) Franchisee or any other Person bound under Section 23 tampers with or disables the Restaurant's Information System or Company's ability to access it, or refuses to permit Company to

conduct a QSC Inspection permitted under Section 7(c)(18), an audit permitted under Section 7(c)(24) or a financial records inspection permitted under Section 7(c)(25), or interferes with Company's ability to electronically poll the Restaurant's Information System in accordance with Section 7(c)(22); or refuses to participate in Company's audit, knowingly maintains false books or records, submits any false reports to Company, or lacks adequate business records to conduct or complete an audit.

(4) Franchisee intentionally revokes the direct debit authorization agreement Section 10(b) requires, or closes the account to which the authorization agreement applies, without first having established another payment account and having signed and delivered to Company a new Authorization Agreement for Preauthorized Payments on a form acceptable to Company and its bank.

(5) Franchisee (or any of its Controlling Principals) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not Company notifies Franchisee of the failures, and, if Company does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Company's delivery of notice to Franchisee, or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Company notifies Franchisee of the failures, and, if Company does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Company's delivery of notice to Franchisee.

(6) Franchisee or any guarantor of Franchisee's monetary obligations to Company becomes insolvent, admits in writing the inability to pay the monetary obligations of Franchisee or the guarantor as they mature, is adjudicated a bankrupt, voluntarily files a petition for liquidation or reorganization under any provision of the United States Bankruptcy Code, makes an assignment for the benefit of creditors or takes any other action pursuant to any federal or state insolvency statute.

(7) A receiver or trustee is appointed for all or a substantial part of Franchisee's assets, or a judgment for an amount in excess of \$5,000 is entered against Franchisee that Franchisee does not pay or cannot stay within 30 days after the judgment is entered.

(8) Company sends a notice of termination under any other franchise agreement to which Franchisee, a Controlling Principal of Franchisee, or a Business Entity owned in whole or in part by a Controlling Principal of Franchisee is a party.

17. TERMINATION; OTHER REMEDIES.

(a) If Franchisee commits an Event of Default or allows an Event of Default to occur and does not cure it before the related remedial period, if any, expires, Company may at its sole discretion, but subject to compliance with applicable statutory notice and/or hearing requirements, (i) terminate the franchise and Franchisee's rights under this Agreement, or (ii) compel Franchisee to sell the Restaurant in accordance with Section 17(d), in which case Company will provide a checklist that Franchisee must complete, and all fees due and owing Company must be paid in full prior to closing. Upon termination or expiration of the franchise, Franchisee's right and privilege to use the Marks, the Copyrighted Materials, the Trade Secrets and all components of the Operations Manual shall absolutely and unconditionally cease. Franchisee shall immediately:

(1) discontinue use of the Marks, the Copyrighted Materials, the System and the Trade Secrets;

(2) return to Company the entire Operations Manual and any other printed, graphic or audio/visual item designated by Company as containing Trade Secrets;

(3) remove from the Restaurant's premises all interior and exterior Wingstop signs and other uses of the Marks; and

(4) alter the Restaurant's interior to remove all Trade Dress items and otherwise eliminate the distinctive features of the Restaurant concept.

(b) Upon the franchise's termination or expiration, Company may immediately file with Franchisee's local telephone company all Assignments of Telephone Number(s) that Franchisee provided Company in accordance with Section 7(c)(4) and may instruct the telephone company to transfer use and control of the Restaurant's telephone number(s) to Company or its designee. Franchisee irrevocably constitutes and appoints Company and its designees as Franchisee's agent and attorney-in-fact to effect the transfer of the Restaurant's telephone number(s), including authority to execute and deliver on Franchisee's behalf any Transfer of Service Agreement the telephone company requires, and to revoke any call-forwarding or similar instructions Franchisee has given the telephone company. Company shall have no liability to Franchisee on account of or arising from any action it authorizes or takes to effect the transfer of the Restaurant's telephone number(s) in accordance with this Section 17(b). Franchisee shall also take such action necessary to cancel any assumed name or equivalent registration used with Company's Marks and provide proof of same to Company. In addition, Company shall be entitled to injunctive or similar relief, without bond, against Franchisee and any other Person bound under Section 23 to enforce compliance with these requirements.

(c) If Franchisee does not comply with the requirements of Section 17(a) within seven days after the franchise's termination or expiration, Company may, at Franchisee's expense, enter the Restaurant's premises and effect Franchisee's compliance with all of that Section's requirements, including removal and storage of Franchisee's signs and alteration or removal and storage of Trade Dress items. Franchisee irrevocably constitutes and appoints Company and its designees as Franchisee's agent and attorney-in-fact to effect compliance with Section 17(a)'s requirements, and Company shall have no liability to Franchisee, in trespass or otherwise, on account of or arising from any action it authorizes or takes to effect Franchisee's compliance. In addition, Company shall be entitled to injunctive or similar relief, without bond, against Franchisee and any other Person bound under Section 23 to enforce compliance with these requirements.

(d) In lieu of immediately terminating the franchise in accordance with Section 17(a), Company may order Franchisee to sell the Restaurant and transfer Franchisee's rights under this Agreement to a purchaser designated by or acceptable to Company. After Company orders Franchisee to sell the franchised business, Franchisee shall have no further right or opportunity to remedy a default or to reinstate Franchisee's right to continue operating the Restaurant. Except for Company's right to approve a proposed purchaser's financial and business qualifications and to ensure that all royalties, Ad Fund contributions, marketing fees and other amounts due Company and its Affiliates are paid at the closing of the sale, Franchisee shall be entitled to establish and negotiate the terms of sale. If Franchisee does not negotiate definitive terms of sale with a qualified purchaser, either designated by Company or located by Franchisee and approved by Company, within 90 days after Franchisee receives Company's demand to sell, or does not consummate the sale within 45 days after negotiations are completed, Company may terminate the franchise under Section 17(a) without further notice.

(e) In addition to the preceding rights and remedies (and in lieu of immediately exercising its rights under Section 17(a)), Company may notify each distributor of Wingstop brand products and merchandise that Franchisee is no longer authorized to purchase these items or any paper goods imprinted with any of the Marks and that sales of such merchandise to Franchisee must therefore be discontinued until further notice from Company.

(f) In addition to the preceding rights and remedies, Company may recover all royalties, marketing fees, Ad Fund contributions, and other amounts due Company and its Affiliates, plus interest under Section 14, with or without terminating the franchise.

(g) In addition to the preceding rights and remedies, Company may cancel Franchisee's account on the Wingstop Intranet network and deny Franchisee further access to communication via the Intranet, with or without terminating the franchise.

(h) In addition to the preceding rights and remedies, Company may obtain injunctive relief, without bond, against Franchisee and/or any other Person bound under Section 23 restraining the unauthorized or violative use of any Mark, item of Copyrighted Materials or Trade Secret, with or without terminating the franchise.

(i) In addition to the preceding rights and remedies, Company may recover damages from Franchisee and any other Person bound under Section 23 for the unauthorized use of any Mark and/or Trade Secret or the unauthorized use, copying or distribution of any item of Copyrighted Materials, and for any loss of customer or future Franchisee goodwill in the Restaurant's Trade Area.

(j) In addition to the preceding rights and remedies, Company shall have an option (but no obligation) to purchase all or any part of the Restaurant's signs, equipment, fixtures and useable inventory from Franchisee for 60 days after the franchise expires or is terminated. The purchase price for signs and equipment will equal their net book value (cost, less depreciation) or fair market value, whichever is lower; the purchase price for useable inventory will equal its invoiced cost to Franchisee. The purchase price will be payable in cash (except that Company may assume any note or lease covering signs, equipment or fixtures). Franchisee agrees to provide Company the information necessary to establish the purchase price, to sign and deliver to Company a bill of sale or an assignment of lease, and otherwise to cooperate with Company in its taking title to and delivery of the items Company purchases. If Franchisee fails or refuses to comply with its obligations under this Section during the option period, Company's option will be extended until 15 days after Franchisee complies.

(k) In addition to the preceding rights and remedies, Company shall have an option (but no obligation) to require Franchisee to assign to Company the lease for the Restaurant's premises and/or allow Company to possess the Restaurant's premises to the exclusion of Franchisee, whether or not Franchisee's landlord takes action to terminate Franchisee's occupancy rights. Franchisee shall not interfere with Company's exercise of these rights.

NOTE: Termination of the franchise shall ordinarily become effective upon Company's delivery of written notice of termination to Franchisee. However, if (1) an Event of Default occurs, and (2) before Company delivers notice of default and/or notice of termination, a voluntary or involuntary petition is filed under any chapter of the United States Bankruptcy Code by, on behalf of, or against Franchisee, and (3) the Event of Default remains unremedied at the time the bankruptcy or reorganization petition is filed, no notice of default or termination shall be required. Instead, if Franchisee files a voluntary petition for liquidation or reorganization under the United States Bankruptcy Code, termination shall automatically become effective the instant a petition is signed by or on behalf of Franchisee. If an involuntary petition is filed, termination shall automatically become effective the instant the petition is submitted to the clerk of the Bankruptcy Court for filing.

18. LIQUIDATED DAMAGES.

(a) If after (i) the expiration of the franchise in accordance with Section 11, or (ii) the termination of the franchise by Company in accordance with Section 17, Franchisee continues to use any

of the Marks or element of the System in connection with the continued operation of the Restaurant or otherwise, then, in addition to any other remedies available to Company at law or in equity, Company shall be entitled to collect from Franchisee, and Franchisee agrees to pay, a weekly royalty for such use of the Marks and/or the System equal to 150% of the royalties that Franchisee would otherwise have been obligated to pay under Section 10.

(b) If Franchisee unilaterally repudiates and surrenders the franchise before the expiration of its term and, within 24 months after the date of termination, directly or indirectly commences operation of a quick service food business that serves chicken pieces, chicken strips or chicken wings as a primary menu item (“primary” meaning that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings), then, in addition to any other remedies available to Company at law or in equity, Company shall be entitled to receive throughout what would have been the entire remaining term of the franchise, and Franchisee agrees to pay, a weekly fee equal to 10% of the competing operation’s revenues, measured in accordance with the definition of Gross Sales in the Glossary attached to this Agreement.

(c) If Franchisee disposes of the Restaurant’s operating assets or premises in violation of Section 7(c)(28) and/or Section 13(a) and the purchaser refuses to sign a Franchise Agreement for the continued operation of the Restaurant as a Wingstop Restaurant, then, in addition to any other remedies available to Company at law or in equity, Company shall be entitled to receive, and Franchisee agrees to pay, a sum equal to the royalties Company would otherwise have received during the remaining term of the franchise, discounted to present value. In calculating the royalties Company would otherwise have received, Franchisee will be deemed to have earned annual Gross Sales for the balance of the franchise term equal to one-third of the Restaurant’s Gross Sales for the 36 months preceding the date on which the violative disposition occurs.

19. COVENANT AGAINST COMPETITION; SPECIAL REPRESENTATIONS AND WARRANTIES.

(a) In consideration of Company’s providing operations and management training to Franchisee and disclosing to Franchisee the System and other Trade Secrets, Franchisee and its Controlling Principals covenant and agree that, during the term of the franchise and for two years after its expiration or termination, Franchisee and its Controlling Principals will not own or operate, directly or indirectly (including through a direct relative such as a spouse, sibling, parent, child, or in-law), or accept employment by, hold an interest in, or perform services in any capacity for any quick service food business that serves chicken pieces, chicken strips or chicken wings as a primary menu item, except as a franchisee of Company. “Primary” means that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings. In order to give effect to Franchisee’s and its Controlling Principals’ obligations in this Section 19, Franchisee acknowledges and agrees that neither it nor any of its Controlling Principals will seek to violate this Section 19 directly or through any other person (for example, a direct relative) with whom Franchisee or the Controlling Principals are acting in concert or participating in connection with the prohibited activities and that Company may enforce the restrictions in this Section 19 by taking action against Franchisee, its Controlling Principals, and all other persons with whom Franchisee and its Controlling Principals are acting in concert or participating in connection with the prohibited activities. In other words, Franchisee and its Controlling Principals will be deemed to be in violation of the restrictions contained in this Section 19 even if a direct relative such as a spouse, sibling, parent, child, or in-law is engaging in the activities proscribed by this Section.

(b) During the term of the franchise, this covenant not to compete will apply universally; for the two-year period after the franchise expires or is terminated, the covenant will apply in the DMA in

which the Restaurant is located and in each other DMA in which a Company-owned or franchised Restaurant is then operating or under development. For purposes of calculating the duration of the two-year period, any time during which Franchisee or its Controlling Principals are in violation or breach of the covenant shall be excluded.

(c) Franchisee and its Controlling Principals acknowledge that their covenant not to compete is reasonable and necessary to protect the business and goodwill of the Wingstop franchise system and to avoid misappropriation or other unauthorized use of the System and Company's other Trade Secrets.

(d) Franchisee and its Controlling Principals acknowledge and confirm that they possess the education, training and experience necessary to earn a reasonable livelihood apart from operating a business that serves chicken wings, chicken pieces, or chicken strips as a primary product ("primary" meaning that the business derives more than ten percent (10%) of its revenue from selling chicken pieces, chicken strips, or chicken wings).

(e) Franchisee represents and warrants to Company that none of Franchisee, any Principal or executive officer of Franchisee, or any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control. Further, Franchisee represents and warrants that neither Franchisee nor any such Person referred to above has violated, and no such Person will violate, any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13244 or any similar law. The foregoing constitute continuing representations and warranties, and Franchisee shall immediately notify Company in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

(f) Franchisee grants Company a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including Franchisee's interests under all real property and personal property leases) of the Restaurant, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant. All items in which a security interest is granted are referred to as the "Collateral."

(1) The Security Interest is to secure payment of the following (the "Indebtedness"):

(i) All amounts due under this Agreement or otherwise by Franchisee;

(ii) All sums which Company (or its Affiliates) may, at its option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

(iii) All expenses, including reasonable attorneys' fees, which Company (or its Affiliates) incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting its rights under the Security Interest and this Agreement; and

(iv) All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Company or third-parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisee executes any extension agreement or renewal instruments.

(2) Franchisee will from time to time as required by Company join with Company in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Company.

(3) Upon default and termination of Franchisee's rights under this Agreement, Company shall have the immediate right to possession and use of the Collateral.

(4) Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at the option of Company and without notice, become due and payable immediately, and Company shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of Texas, including, without limitation, Company's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Company in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth below.

(5) This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

20. PARTIAL INVALIDITY.

The provisions of this Agreement are severable, and if any provision is held illegal, invalid or unenforceable, the holding shall not affect the legality, validity or enforceability of any other provision. Any illegal, invalid or unenforceable provision shall be reformed to the minimum extent necessary to render it legal, valid and enforceable and, as so reformed, shall continue in full force and effect.

21. NOTICES.

All notices or demands required or permitted under this Agreement shall be in writing and shall be deemed delivered when deposited with the United States Postal Service, first class postage prepaid, certified or registered mail, return receipt requested, or with an overnight delivery service for next business day delivery with proof of delivery, addressed, if to Company, to 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081, Attn. President; and if to Franchisee's Designated Principal, to _____ . Either party may at any time change the address to which notices are to be sent, or other contact information, by giving the other at least 10 days' prior notice in accordance with this Section 21.

22. STATUS OF PARTIES.

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, personal services, fiduciary or other "special" relationship between Company and Franchisee, and no representation to the contrary shall be binding upon Company.

23. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of Company and Franchisee and their respective successors, assigns, executors, heirs and personal representatives. If Franchisee is, or subsequently transfers the franchise to, a Business Entity, each Controlling Principal and general partner of Franchisee shall also be personally and individually bound by all provisions of this Agreement. Each Principal who is not a Controlling Principal shall be personally and individually bound by certain covenants concerning confidentiality if he or she has access to Trade Secrets or other Confidential Information.

24. LAW GOVERNING; DISPUTE RESOLUTION.

(a) ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE ARBITRATION ACT. EXCEPT TO THE EXTENT GOVERNED BY THE ARBITRATION ACT OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICT OF LAW RULES SHALL NOT APPLY, AND ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

(b) Franchisee and Company agree that, except as provided below in this Section 24(b), all controversies, disputes, or claims between Company and its Affiliates, and their respective owners, officers, directors, agents and/or employees, and Franchisee (and/or its owners, guarantors, Affiliates and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between Franchisee and Company;
- (2) Company's relationship with Franchisee;
- (3) the scope or validity of this Agreement or any other agreement between Franchisee and Company (including the validity and scope of the arbitration obligation under this Section, which Company and Franchisee acknowledge is to be determined by an arbitrator and not by a court); or
- (4) any standard, specification, operating procedure, or rule;

must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section 24(b) otherwise provides, according to the AAA's then current commercial arbitration rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within ten (10) miles of Company's then current principal business address. All matters relating to arbitration will be governed by the Arbitration Act. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief that he or she deems proper, including, without limitation, money damages, specific performance, injunctive relief, and attorneys' fees and costs for Company (consistent with Company's rights under Section 27(d)), provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 26(e), award any exemplary, punitive, treble, or other forms of multiple damages against the

other (Franchisee and Company hereby waive to the fullest extent the law permits, except as expressly provided in Section 26(e), any right to or claim for any exemplary, punitive, treble, or other forms of multiple damages against the other).

Franchisee and Company will be bound by the provisions of any limitation on the time period in which claims must be brought under applicable law or this Agreement, whichever expires earlier. In any arbitration proceeding, each party must submit or file any claim constituting a compulsory counterclaim (as defined by the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers made by either party. Company reserves the right, but has no obligation, to advance Franchisee's share of the costs (excluding attorneys' fees) of any arbitration proceeding in order for the proceeding to take place and by doing so is not deemed to have waived or relinquished its right to seek the recovery of these costs under Section 27(d).

Franchisee and Company agree that arbitration will be conducted on an individual basis, and not on a joint, collective, or class-wide basis, and that an arbitration proceeding between Company and its Affiliates, and their respective owners, officers, directors, agents and/or employees, and Franchisee (and/or its owners, guarantors, Affiliates and/or employees) may not be consolidated or joined with any other arbitration proceeding between Company and any other person. Despite the foregoing or anything to the contrary contained in this Section 24(b), if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, all parties agree that this arbitration clause will not apply to that dispute and the dispute will be resolved in a judicial proceeding in a court permitted under Section 24(c) of this Agreement.

Despite Franchisee's and Company's agreement to arbitrate provided above, Company and Franchisee agree that Company has no obligation whatsoever to arbitrate the following disputes: (i) disputes that arise under or are related to the Lanham Act, as now or later amended; (ii) disputes that otherwise relate to the ownership or validity of any of the Marks; (iii) disputes that involve enforcement of Company's intellectual property rights, including, but not limited to, Company's Confidential Information, Trade Secrets, and Copyrighted Materials; or (iv) disputes related to Company's enforcement of the covenants not to compete in Section 19. Company may enforce its rights in the disputes described in clauses (i) through (iv) exclusively in court.

With respect to the matters subject to, and not excepted from, the parties' agreement to arbitrate specified in this Section 24(b), each party has the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, that each must contemporaneously submit its dispute for arbitration on the merits as provided in this Section. This Section's provisions are intended to benefit and bind certain third-party non-signatories and continue in full force and effect after and notwithstanding this Agreement's expiration or termination.

(c) SUBJECT TO (b) ABOVE AND THE PROVISIONS BELOW, FRANCHISEE AND ITS OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND COMPANY MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO COMPANY'S THEN CURRENT PRINCIPAL BUSINESS ADDRESS, AND FRANCHISEE (AND EACH OWNER) IRREVOCABLY SUBMITS TO THE JURISDICTION OF THOSE COURTS AND WAIVES ANY OBJECTION IT (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, FRANCHISEE AND ITS OWNERS AGREE THAT COMPANY MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE IN WHICH FRANCHISEE'S RESTAURANT IS LOCATED.

25. **CONDITION PRECEDENT.**

If Franchisee is a Business Entity, this Agreement will not be binding on Company and no franchise will be granted unless and until each Controlling Principal of Franchisee, or each general partner of Franchisee, executes and delivers a Guaranty in the form appended to this Agreement.

26. **MISCELLANEOUS.**

(a) Definition of Terms. The terms used in this Agreement, unless otherwise defined, are also listed in the Glossary of Terms attached hereto and made a part hereof.

(b) Binding Effect. This Agreement may not be amended, modified or rescinded, or any performance requirement waived, except by a written document signed by Company and Franchisee. The parties expressly agree that this Agreement may not be amended or modified, or any performance standard changed, by course of dealing or inference from a party's conduct. This provision does not apply to changes in the Operations Manual, which Company may modify unilaterally.

(c) No Liability of Other Parties for Company Acts. Franchisee acknowledges and agrees that no past, present, or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, Affiliate, controlling party, entity under common control, ownership, or membership, vendor, service provider, agent, attorney, or representative of Company shall have any liability for (i) any of Company's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Company based on, in respect of, or by reason of the relationship between Franchisee and Company, or (iii) any claim against Company based on any alleged unlawful act or omission.

(d) Costs and Attorneys' Fees. If Company incurs costs and expenses (internal and external) to enforce its rights or Franchisee's obligations under this Agreement because Franchisee has failed to pay when due amounts owed to Company, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, Franchisee agrees to reimburse Company for all costs and expenses Company incurs, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Franchisee's obligation to reimburse Company arises whether or not Company begins a formal legal proceeding against Franchisee to enforce this Agreement. If Company does begin a formal legal proceeding against Franchisee to enforce this Agreement, the reimbursement obligation applies to all costs and expenses Company incurs preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).

(e) Waiver of Exemplary Damages and Jury Trial. EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY COMPANY UNDER SECTION 7(C)(27) AND CLAIMS COMPANY ASSERTS AGAINST FRANCHISEE FOR VIOLATION OR INFRINGEMENT OF ANY OF COMPANY'S INTELLECTUAL PROPERTY RIGHTS, COMPANY AND FRANCHISEE (AND ITS OWNERS) WAIVE TO THE FULLEST EXTENT THE LAW PERMITS ANY RIGHT TO OR CLAIM FOR ANY EXEMPLARY, PUNITIVE, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IF THERE IS A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. COMPANY AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

(f) Limitation of Claims. Except for Franchisee's indemnification obligations under Section 7(c)(27) and except for claims arising from Franchisee's non-payment or underpayment of amounts it

owes Company and its affiliates, any and all claims arising out of or relating to this Agreement or the parties' relationship will be barred unless a proceeding (in the required forum) is commenced within two (2) years from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

27. FRANCHISEE'S ACKNOWLEDGMENTS.

(a) Franchisee acknowledges and agrees that this Agreement, together with any duly executed amendment or addendum attached to this Agreement, contains the entire agreement between the parties with respect to Franchisee's franchise for the Restaurant, and that it supersedes any prior or contemporaneous agreements between the parties, written or oral, with respect to the franchise for the Restaurant. Nothing in this Agreement or any related agreement is intended to disclaim Company's representations in its Franchise Disclosure Document. _____ [FRANCHISEE'S INITIALS]

(b) Franchisee confirms and acknowledges that no written or oral agreements, promises, commitments, or undertakings were made to or with Franchisee that are not expressly set forth in this Agreement and any duly executed amendment or addendum attached to this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim Company's representations in its Franchise Disclosure Document. _____ [FRANCHISEE'S INITIALS]

(c) Franchisee confirms and acknowledges that, except for the Item 19 Financial Performance Representation included in the Franchise Disclosure Document Company delivered to Franchisee, no person representing Company made any oral, written or visual claim, presentation or representation to Franchisee that stated or suggested that Franchisee's Restaurant might attain any actual, projected or forecasted level of sales, income or profits. _____ [FRANCHISEE'S INITIALS]

(d) Franchisee confirms and acknowledges that no warranty, guaranty or promise other than those expressly set forth in this Agreement, and no representations other than those expressly set forth in the Franchise Disclosure Document Company delivered to Franchisee, were made by Company or any other person to induce Franchisee to sign this Agreement. Franchisee recognizes that neither Company nor any other party can guarantee Franchisee's business success or state the exact costs of opening and operating a Restaurant, and that such success and costs will depend primarily upon Franchisee's own efforts and business ability. Franchisee also recognizes that any new business venture is speculative. _____ [FRANCHISEE'S INITIALS]

(e) Franchisee acknowledges that no document Section 26(b) requires will be binding on Company unless it is signed on Company's behalf by its President. _____ [FRANCHISEE'S INITIALS]

(f) Franchisee acknowledges that this Agreement creates an arm's length commercial relationship that cannot and will not be transformed into a fiduciary or other "special" relationship by course of dealing, by any special indulgences or benefits that Company bestows on Franchisee, or by inference from a party's conduct. _____ [FRANCHISEE'S INITIALS]

(g) Franchisee acknowledges that it has read this Agreement and Company's Franchise Disclosure Document and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Company's high standards of quality, and the uniformity of those standards, and to protect and preserve the goodwill of the Marks. Franchisee also acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that its abilities and efforts are vital to the success of the venture. _____ [FRANCHISEE'S INITIALS]

(h) Franchisee acknowledges and represents that Company has approved the purchase of a franchise pursuant to all the statements and materials Franchisee submitted and that all such statements and materials are true, accurate and complete and Franchisee has made no misrepresentations or material omissions. _____ [FRANCHISEE'S INITIALS]

[SIGNATURE PAGE FOLLOWS]

WINGSTOP RESTAURANTS INC.

FRANCHISEE

By: _____

Signature, if an individual

Name: _____

Franchisee's name, printed

Title: _____

Date: _____

Date: _____

(Corporate, partnership and limited liability company franchisees must complete the following)

By: _____

Name: _____

Title: _____

Date: _____

Franchisee's General Manager is: _____

Franchisee's General Manager Hire Date: _____

General Manager Address/Telephone/Email: _____

The Restaurant's Scheduled Opening Date is: _____

**EXHIBIT A
DESCRIPTION OF PRINCIPAL MARKS**

Description of Mark	Registration Number	Registration Date
Wing-Stop (block letters) ®	2,121,699	December 16, 1997
Description of Mark	Registration Number	Registration Date
WING-STOP THE WING EXPERTS & Design (Logo) ®	2,422,672	January 23, 2001
Description of Mark	Registration Number	Registration Date
WINGSTOP (block letters) ®	3,054,484	January 31, 2006
Description of Mark	Registration Number	Registration Date
THE WING EXPERTS (block letters) ®	3,087,485	May 2, 2006
Description of Mark	Registration Number	Registration Date
THE BONELESS WING EXPERTS (block letters) ®	3,185,734	December 19, 2006

**EXHIBIT B
DESCRIPTION OF TRADE AREA**

Unless the Restaurant is located in a high-density population center, as determined by Company in its reasonable business judgment, the Restaurant's Trade Area is the area lying inside a circle having its center at the Restaurant's front door and a radius that extends exactly _____ miles from its center.

If the Restaurant is located in a high-density population center, the Restaurant's Trade Area is the area lying inside the following boundaries: _____

_____.

The Trade Area shall in all cases be deemed to exclude any and all Non-Traditional Venues physically located within the Trade Area, meaning that all such Non-Traditional Venues will not be deemed to be a part of the definition of the Trade Area, Developer may not operate at such Non-Traditional Venues, and there are no restrictions whatsoever on Company's activities in or at those Non-Traditional Venues, including, but not limited to, its right to operate and grant others the right to engage in foodservice operations under the Marks at such Non-Traditional Venues.

WINGSTOP RESTAURANTS INC.

FRANCHISEE

By: _____

Signature, if an individual

Name: _____

Franchisee's name, printed

Title: _____

Date: _____

Date: _____

(Corporate, partnership and limited liability company franchisees must complete the following)

By: _____

Name: _____

Title: _____

Date: _____

**EXHIBIT C
AUTHORIZATION AGREEMENT
FOR PREAUTHORIZED PAYMENTS**

WINGSTOP RESTAURANTS INC. ("COMPANY")
ID NUMBER: 75-2681763

The undersigned ("DEPOSITOR") authorizes COMPANY to initiate debit entries to the Checking Account indicated below at the DEPOSITORY named below, and authorizes DEPOSITORY to debit to such account all entries COMPANY initiates.

DEPOSITORY
NAME _____ BRANCH _____
CITY _____ STATE _____
CHECKING ACCOUNT NO. _____
ROUTING NUMBER _____

DEPOSITOR agrees that this authorization will remain in full force and effect until DEPOSITOR has given COMPANY written notice of its revocation in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on the notice.

DEPOSITOR'S
NAME _____ FEIN _____

DEPOSITOR'S SIGNATURE _____

TITLE OF PERSON SIGNING (if signed in a representative capacity) _____

DATE _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE DEPOSITOR MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE DEBIT ORIGINATOR (COMPANY) IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

EXHIBIT D
ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of Franchisee: _____

Address of Restaurant: _____

Telephone Number(s): (____) _____; (____) _____; (____) _____
Main Rollover Data/Fax

For valuable consideration, the Franchisee identified above (“Franchisee”) assigns and transfers to Wingstop Restaurants Inc. (“Company”) all of Franchisee’s rights and interests in each and all of the telephone numbers listed above (the “Numbers”).

Franchisee authorizes Company to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing Company’s claim to and right to designate the user of the Numbers.

Franchisee irrevocably constitutes and appoints Company as Franchisee’s agent and attorney-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to transfer the rights in the Numbers from Franchisee to Company or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign Franchisee’s name and otherwise to act in Franchisee’s name, place and stead.

Franchisee agrees to reimburse Company the full amount of any local service and long distance charges the telephone company requires that Company paid to obtain the Numbers, together with interest as provided in the Franchise Agreement for the Restaurant.

Franchisee represents and warrants to Company that Franchisee obtained the Numbers in his or her own name, and that Franchisee is the person of record the telephone company will recognize as registered user or “owner” of the Numbers.

FRANCHISEE NAME

By: _____
Franchisee’s signature

Name: _____
Franchisee’s name, printed

Title: _____

Date: _____

EXHIBIT E

BUSINESS ENTITY INFORMATION

This form must be completed if this Franchise Agreement has more than one owner or if Franchisee is owned by a business organization (a corporation, partnership, limited liability company or similar entity). This form must also be re-executed whenever there is any permitted change in the “Designated Principal,” a “Controlling Principal,” or a “Principal.”

1. **Form of Owner.** Is a (check one):

- (a) General Partnership
- (b) Corporation
- (c) Limited Partnership
- (d) Limited Liability Company
- (e) Other, Specify _____

2. **Business Entity.** The name of Franchisee is _____, and it was incorporated or formed on _____, 20__ under the laws of the State of _____. Franchisee has not conducted business in any name other than Franchisee’s business entity name and _____.

3. **Business Entity Owners.** The following list includes the full name and mailing address of each person who is an owner of Franchisee (stockholders, partners or members (if a limited liability company)), all of whom are referred to as Principals in this Franchise Agreement, and the nature of each owner’s position and ownership interest in the Franchisee.

Owner’s Name and Address	Description of Interest	Ownership %

4. **Controlling Principal(s).** Provide the name, position and ownership interest of the Controlling Principal(s) as of the date of this Franchise Agreement.

Principal’s Name and Address	Position Held in Entity	Ownership %

5. **Designated Principal.** Provide the name, position and ownership interest of the Designated Principal as of the date of this Franchise Agreement.

Principal's Name and Address	Position Held in Entity	Ownership %

6 **Governing Documents.** Franchisee must attach copies of articles of incorporation or organization and partnership, shareholder, or member agreements.

7. **Representation.** Franchisee represents and warrants that the information provided in this form is true, accurate and complete and that Wingstop Restaurants Inc. may consider this statement as continuing to be true, accurate and correct until a written notice of change in ownership and/or in the Principal status is given to Wingstop Restaurants Inc. by Franchisee.

8. THIS FRANCHISE AGREEMENT AND SYSTEM OF BUSINESS REQUIRE THAT THE FRANCHISEE BE UNDER THE DAILY CONTROL AND DIRECT SUPERVISION OF THE DESIGNATED PRINCIPAL AND FAILURE TO COMPLY CONSTITUTES A MATERIAL DEFAULT OF THIS FRANCHISE AGREEMENT.

OWNER:

INDIVIDUALS:

Signature – Owner #1

Print Name – Owner #1

Date: _____

Signature – Owner #2

Print Name – Owner #2

Date: _____

Signature – Owner #3

Print Name – Owner #3

Date: _____

ENTITY:

Signature

Print Name

Title

Date: _____

EXHIBIT F
GUARANTY AND ACKNOWLEDGMENT

The undersigned owners (whether one or more, herein called "Guarantors") of 5% or more of the outstanding equity interests in the Franchisee under the Franchise Agreement to which this Guaranty and Acknowledgment is annexed, jointly and severally, absolutely and unconditionally, guarantee to Wingstop Restaurants Inc., its successors and assigns ("Company"):

- (1) The faithful and punctual performance of each and every duty and obligation of the Franchisee under the Franchise Agreement (including any amendments or modifications) or otherwise;
- (2) The payment in full when due of all royalties, Ad Fund contributions, marketing fees and other amounts payable by Franchisee to Company under the Franchise Agreement (including any amendments or modifications) or otherwise; and
- (3) The payment in full when due of all contributions payable by the Franchisee to any Area Cooperative that the Franchisee may join pursuant to Section 8 of the Franchise Agreement (including any amendments or modifications).

The monetary obligations described in clauses (2) and (3) above are called "Debts".

The undersigned owners also agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement (including any amendments or modifications), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the noncompetition, confidentiality, transfer, and arbitration requirements.

This is a continuing Guaranty and applies to all Debts for or with respect to which the Franchisee may become obligated, whether during the initial term of the franchise, any renewals or extensions thereof, or after the franchise's expiration, termination or cancellation. This Guaranty shall be binding upon each Guarantor's heirs, executors, administrators, guardians, successors and assigns, and under no circumstances will any Guarantor's obligations under this Guaranty be released or extinguished without Company's written consent and release or until all Debts have been paid in full, whether or not a Guarantor's interest in the Franchisee is transferred, sold or otherwise surrendered.

Guarantors expressly waive demand and diligence on the part of the Company in the collection of any of the Debts and agree to all extensions that may be granted to the Franchisee by Company. Company shall be under no obligation to notify Guarantors of any sales or extensions of credit to the Franchisee in reliance on this Guaranty, or of the failure of the Franchisee to pay any of the Debts when due, or to use diligence in preserving the liability of any person on the Debts or in bringing suit or in taking other action to enforce collection of the Debts.

If the Franchisee's status should change through merger, consolidation or otherwise, this Guaranty shall cover the Debts of the Franchisee under its new status, according to the terms of this Guaranty.

Company shall not be required to pursue or exhaust any remedies against the Franchisee, to foreclose its interest in any collateral now or hereafter held by Company as security for the payment of the Debts, to terminate the Franchise Agreement or to take any other action before requiring payment under this Guaranty. Without in any manner impairing or diminishing the obligations of Guarantors under this Guaranty, Company may elect to pursue any legal or equitable remedy available against the Franchisee or against any collateral held by Company, even though the exercise by Company of such remedy results in

loss to Guarantors of any right of subrogation or right to proceed against the Franchisee for reimbursement.

If the Franchisee is not liable on any of the Debts because the act of their creation is *ultra vires*, or if the officers or persons incurring any of the Debts acted in excess of their authority, and therefore the Debts cannot be enforced against the Franchisee, Guarantors shall nevertheless be liable under this Guaranty.

If any payment by the Franchisee to Company is held to be a preference under the United States Bankruptcy Code, or if for any other reason Company is required to refund such payment or pay the amount thereof to any other person, such payment by the Franchisee shall not constitute a discharge of Guarantors from any liability under this Guaranty, and Guarantors agree to pay such amount to Company upon demand.

Each Guarantor represents that he or she owns an equity or beneficial interest in the Franchisee and that he or she is receiving consideration from the Debts that is a material, direct benefit to such Guarantor.

Each Guarantor agrees that this Guaranty is to be performed by Guarantors in Dallas, Dallas County, Texas, that this Guaranty shall be deemed to be a contract made under the laws of Texas and that this Guaranty and the rights of the parties hereto shall be governed by, interpreted in accordance with, and enforced under Texas law. Guarantors agree to pay Company's reasonable attorneys' fees if this Guaranty is placed in the hands of an attorney for collection, or if it is collected through a proceeding in any court.

GUARANTORS' SIGNATURES

Signature: _____
Name Printed: _____
Street Address: _____
Telephone Number: _____
% of Ownership Interest _____

Signature: _____
Name Printed: _____
Street Address: _____
Telephone Number: _____
% of Ownership Interest _____

Signature: _____
Name Printed: _____
Street Address: _____
Telephone Number: _____
% of Ownership Interest _____



EXHIBIT G
ACKNOWLEDGEMENT OF RECEIPT
OF FRANCHISE-RELATED DOCUMENTS

For the Restaurant to be located at _____

The undersigned, personally and/or as an officer, managing member or partner of the proposed franchise owner, does hereby acknowledge receipt of the following documents, in form for execution, relating to the franchise of Wingstop Restaurants Inc.:

- (1) Development Agreement
- (2) Rider to Development Agreement for State of _____
- (3) Franchise Agreement
- (4) Rider to Franchise Agreement for State of _____
- (7) Other (specify): _____

I further acknowledge my understanding that it is my responsibility, individually and/or as an officer, managing member or partner of the proposed franchise owner, to review all of these documents so that I am fully familiar with the transaction they contemplate before signing them.

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE YOU WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN (7) CALENDAR DAYS BEFORE YOU SIGN THEM IF WE HAVE MADE ANY UNILATERAL, MATERIAL CHANGES IN THE VERSIONS OF THESE DOCUMENTS INCLUDED AS EXHIBITS IN OUR FRANCHISE DISCLOSURE DOCUMENT. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL SEVEN (7) CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT, EXCLUDING THE DELIVERY AND SIGNING DATES.

DATED: _____

BY: _____

NAME: _____

TITLE: _____

ADDRESS: _____

EXHIBIT D

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Chapter 15	Government Regulations (Blank)
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EXHIBIT E

LIST OF STATE ADMINISTRATORS

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

CALIFORNIA

Corporations Commissioner
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105

HAWAII

Corporations Commissioner
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

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

INDIANA

Indiana Securities Commissioner
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Department of Attorney General
525 W. Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Franchise Examiner
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

NEW YORK

Bureau of Investor Protection
and Securities
Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

Securities Division
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

Department of Revenue and Regulation
Division of Securities
445 East Capitol
Pierre, South Dakota 57501-2017

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033

WISCONSIN

Division of Securities
Department of Financial Institutions
345 W. Washington, 4th Floor
Madison, Wisconsin 53703

EXHIBIT F

AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

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

CALIFORNIA

Commissioner of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013

HAWAII

Commissioner of Securities of the
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce,
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan 48913

MINNESOTA

Commissioner of Commerce
85 7th Place, East, Suite 500
St. Paul, Minnesota 55101

NEW YORK

Secretary of State of
the State of New York
41 State Street
Albany, New York 12231

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

OREGON

Oregon Division of Finance and Corporate
Securities
350 Winter Street NE, Room 410
Salem, Oregon 97310

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

Director of Division of Securities
c/o 445 East Capitol
Pierre, South Dakota 57501-2017

TEXAS

James A. Flynn
1101 E. Arapaho Road, Suite 150
Richardson, Texas 75081

VIRGINIA

Clerk of the State
Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

WASHINGTON

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

WISCONSIN

Commissioner of Securities
Fourth Floor
P.O. Box 1768
345 West Washington Ave.
Madison, Wisconsin 53703

EXHIBIT G

DIRECTORY OF FRANCHISEES AND FRANCHISEES DEPARTING SYSTEM

LIST OF CURRENT FRANCHISEES

Effective as of December 31, 2011

LIST OF CURRENT FRANCHISEES

Effective as of December 31, 2011

ALABAMA

Wingstop # 0018 - AL-Fort Payne
WC Wing, Inc.
Walter Crowe
2612 GAULT AVE N STE A
FORT PAYNE, AL 35967-3729
(256) 997-9464

Wingstop # 0457 - AL-Valley
The DCN Group, Inc.
Frank Norman
3214 20TH AVE STE A
VALLEY, AL 36854-2960
(334) 768-9464

ARIZONA

Wingstop # 0422 - AZ-Chandler
Maricopa Wings II, LLC
Charles Loflin
5905 W CHANDLER BLVD STE 101
CHANDLER, AZ 85226-3421
(480) 592-9464

Wingstop # 0230 - AZ Glendale - Thunderbird
JT Wing 1, LLC
Jacqui Brewer
5833 W THUNDERBIRD RD
GLENDALE, AZ 85306-4628
(602) 439-9464

Wingstop # 0370 - AZ-Mesa-Dobson Rd
Los Amigos Food Services I, L.L.C.
Jose Arriola
937 N DOBSON RD STE 104
MESA, AZ 85201-7589
(480) 964-6600

Wingstop # 0271 - AZ-Phoenix-N 75th Ave
JT Wing 4, LLC
Jacqui Brewer
1610 N 75TH AVE STE 110
PHOENIX, AZ 85035-4500
(623) 245-9464

Wingstop # 0290 - AZ-Phoenix-Thomas Rd
Maricopa Wings I, LLC
Charles Loflin
4041 E THOMAS RD STE 115
PHOENIX, AZ 85018-7528
(602) 955-9464

Wingstop # 0421 - AZ-Phoenix-Bethany Home
JT Wing 5, L.L.C.
Tracy Henry
1641 W BETHANY HOME RD
PHOENIX, AZ 85015-2507
(602) 433-9464

ARKANSAS

Wingstop # 0212 - AR-Bentonville-Walton
KBCS Management Corp.
Kenneth Stratton
231 N WALTON BLVD
BENTONVILLE, AR 72712-5042
(479) 271-8833

Wingstop # 0320 - AR-Conway
Wingin' It in Arkansas, Inc.
Paul Leonard
2730 PRINCE ST STE 1
CONWAY, AR 72034-3658
(501) 329-1919

Wingstop # 0184 - AR-Fayetteville-Citizen
T Wings of Northwest Arkansas, Inc.
Todd West
2630 E CITIZENS DR STE 20
FAYETTEVILLE, AR 72703-4797
(479) 443-9464

Wingstop # 0468 - AR-Ft. Smith
Fort Smith Wings, Inc.
Bobby Pritchard
8624 ROGERS AVE
FORT SMITH, AR 72903-5241
(479) 484-9100

Wingstop # 0144 - AR-Little Rock-Markham
Wingin' It in Arkansas, Inc.
Paul Leonard
11321 W MARKHAM ST STE 2
LITTLE ROCK, AR 72211-2886
(501) 224-9464

Wingstop # 0225 - AR-North Little Rock
Wingin' It in Arkansas, Inc.
Paul Leonard
2913 LAKEWOOD VILLAGE DR
NORTH LITTLE ROCK, AR 72116-8033
(501) 791-1900

Wingstop # 0239 - AR-Pine Bluff
Loco Wings, Inc.
Robert Cheatwood
5401 S OLIVE STREET STE 200
PINE BLUFF, AR 71603-7622
(870) 534-9464

CALIFORNIA

Wingstop # 0352 - CA-Alameda
Wingship & Associates III, Inc.
Ron Stone
2661 BLANDING AVE STE A
ALAMEDA, CA 94501-1581
(510) 522-9464

Wingstop # 0418 - CA-American Canyon
Sweet Adeline, Inc.
Cassandra Roseboro
5075 MAIN ST STE 124 B
AMERICAN CANYON, CA 94503-1199
(707) 645-9464

Wingstop # 0359 - CA-Antelope
Antelope Wings, L.L.C.
John Allen
4400 ELVERTA ROAD STE 100
ANTELOPE, CA 95843-6727
(916) 725-9464

Wingstop # 0308 - CA-Bakersfield-Gosford Rd
The Bakersfield Wing Company, Inc.
Clinton Lewis
3880 GOSFORD RD STE 100
BAKERSFIELD, CA 93309-7692
(661) 835-9464

Wingstop # 0349 - CA-Baldwin Park
Sagar Holding Corporation
Suryakant (Ken) Patel
3127 BALDWIN PARK BLVD STE C
BALDWIN PARK, CA 91706-4754
(626) 962-4400

Wingstop # 0228 - CA-Bell Gardens
Far West Restaurant Group, LLC
Danny Sonenshine
6810 EASTERN AVE STE J
BELL GARDENS, CA 90201-3928
(323) 771-9464

Wingstop # 0355 - CA-Bellflower
Far West Restaurant Group, LLC
Danny Sonenshine
14307 BELLFLOWER BLVD
BELLFLOWER, CA 90706 - 3135
(562) 920-2707

Wingstop # 0438 - CA-Brentwood
Brocca, Inc.
Don Brocca
6471 LONE TREE WAY STE 303
BRENTWOOD, CA 94513-5265
(925) 240-9495

Wingstop # 0540 - CA-Canoga Park-De Soto
Ave
Valley Wings, LLC
Robin Kirksey
6844 DE SOTO AVE
CANOGA PARK, CA 91303-2210
(818) 992-9464

Wingstop # 0430 - CA-Carlsbad
Wingdoc I, Inc.
Gene Kim
2508 EL CAMINO REAL STE C1
CARLSBAD, CA 92008-1203
(760) 434-9464

Wingstop # 0124 - CA-Carson-Sepulveda
LMS Wings, Inc.
Gregory Southern
212 E SEPULVEDA BLVD STE P4-B
CARSON, CA 90745-6323
(310) 518-5999

Wingstop # 0303 - CA-Carson-Avalon
O'Leary-Smith Development, LLC
Patricia O'Leary-Smith
20700 AVALON BLVD STE 565
CARSON, CA 90746-3718
(310) 532-9464

Wingstop # 0280 - CA-Cerritos
Far West Restaurant Group, LLC
Danny Sonenshine
11445 SOUTH ST
CERRITOS, CA 90703-6600
(562) 924-7132

Wingstop # 0601 - CA-Chino Hills-Chino Hills
Love Those Wings, Inc.
Undray Baker
4200 CHINO HILLS PKWY STE 105
CHINO HILLS, CA 91709-3783
(909) 517-2400

Wingstop # 0452 - CA-Chula Vista
Gamaflo Wings, L.L.C.
Emil Gamalinda
1550 E H ST STE E
CHULA VISTA, CA 91913-2003
(619) 482-2123

Wingstop # 0528 - CA-City of Industry
Sagar Holding Corporation
Suryakant (Ken) Patel
17501 COLIMA RD STE G1
CITY OF INDUSTRY, CA 91748-1731
(626) 839-9464

Wingstop # 0396 - CA-Compton-Alameda
Far West Restaurant Group, LLC
Danny Sonenshine
1641 S ALAMEDA ST STE 102
COMPTON, CA 90220-4973
(310) 763-9464

Wingstop # 0397 - CA-Compton-Rosecrans
Far West Restaurant Group, LLC
Danny Sonenshine
2215 W ROSECRANS AVE STE 14-A
COMPTON, CA 90222-3856
(310) 763-3552

Wingstop # 0347 - CA-Corona
Big Castle, Inc.
Kevin Rachall
160 E ONTARIO AVE STE 101
CORONA, CA 92879-3511
(951) 270-0820

Wingstop # 0285 - CA-Costa Mesa
Far West Restaurant Group, LLC
Danny Sonenshine
1781 NEWPORT BLVD STE C
COSTA MESA, CA 92627-5063
(949) 548-9464

Wingstop # 0503 - CA-Cupertino
CO-AL Hospitality, LLC
Charles Fowler
19620 STEVENS CREEK BLVD STE 190
CUPERTINO, CA 95014-2487
(408) 996-9464

Wingstop # 0517 - CA-Daly City-Lake Merced
Oak Hill Ventures, Inc.
Terry Blanchard
227 LAKE MERCED BLVD
DALY CITY, CA 94015-3113
(650) 755-9464

Wingstop # 0477 - CA-El Cerrito
2 Singhs Have Wings
Bikram Randhawa
340 EL CERRITO PLZ
EL CERRITO, CA 94530-4004
(510) 528-9464

Wingstop # 0278 - CA-Elk Grove-Elk Grove
Wingalicious Restaurants, Inc.
Jeff Conley
8447 ELK GROVE FLORIN RD STE 50
ELK GROVE, CA 95624-9519
(916) 689-4949

Wingstop # 0560 - CA-Elk Grove-Laguna Blvd
Morris MLM Enterprise, LLC
Michael Morris
7440 LAGUNA BLVD STE 116
ELK GROVE, CA 95758-5072
(916) 691-1011

Wingstop # 0454 - CA-Emeryville
E.L. Toliver, Inc.
Emon Toliver
4133 SAN PABLO AVE
EMERYVILLE, CA 94608-3680
(510) 428-9464

Wingstop # 0554 - CA-Fairfield
Wing Dhaba, Inc.
Bikram Randhawa
1630 GATEWAY BLVD STE C
FAIRFIELD, CA 94533-6914
(707) 426-9464

Wingstop # 0505 - CA-Freedom
L&R Wings, LLC
Charles Fowler
1998 FREEDOM BLVD
FREEDOM, CA 95019-2834
(831) 728-9464

Wingstop # 0343 - CA-Fremont
West Coast Wings Fremont, Inc.
Tony Lam
43448 BOSCELL RD
FREMONT, CA 94538-5131
(510) 490-9464

Wingstop # 0510 - CA-Fresno-Shaw Ave.
Right Swing, Inc.
Jason Khan
1089 E SHAW AVE STE 101A
FRESNO, CA 93710-7888
(559) 229-9464

Wingstop # 0516 - CA-Fresno-Kings Canyon
Cen Cal Wings, LLC
Gurminder (Peter) Binning
5179 E KINGS CANYON RD
FRESNO, CA 93727-3937
(559) 252-9464

Wingstop # 0310 - CA-Fullerton
CIG Wings, Inc.
Susan Concepcion
1119 N HARBOR BLVD STE 1101
FULLERTON, CA 92832-1312
(714) 879-9464

Wingstop # 0511 - CA-Gardena
Far West Restaurant Group, LLC
Danny Sonenshine
2201 W ROSECRANS AVE
GARDENA, CA 90249-2905
(310) 324-3444

Wingstop # 0456 - CA-Gilroy
Dekati Young, Inc.
Willie Young
6955 CAMINO ARROYO STE 10
GILROY, CA 95020-7342
(408) 842-9464

Wingstop # 0386 - CA-Glendora
Concepcion Holdings, Inc.
Nikki Marcos
1365 EAST GLADSTONE ST STE 100
GLENDDORA, CA 91740-6724
(909) 394-9464

Wingstop # 0263 - CA-Hayward-Whipple
Wingship & Associates, Inc.
Roxanne Stone
2490 WHIPPLE RD
HAYWARD, CA 94544-7808
(510) 441-7867

Wingstop # 0490 - CA-Hayward-B St.
Wingship & Associates IV, Inc.
Roxanne Stone
1093 B ST STE R1-B1
HAYWARD, CA 94541-4107
(510) 881-9464

Wingstop # 0137 - CA-Inglewood-Century
LMS Wings, LLC
Gregory Southern
3551 W CENTURY BLVD STE 103
INGLEWOOD, CA 90303-1200
(310) 672-9200

Wingstop # 0546 - CA-Inglewood-Manchester
LMS Wings, LLC
Gregory Southern
2323 W MANCHESTER RD
INGLEWOOD, CA 90305-2515
(323) 750-9464

Wingstop # 0573 - CA-Irvine-Barranca Pkwy
Far West Restaurant Group, LLC
Danny Sonenshine
3972 BARRANCA PKWY STE F1
IRVINE, CA 92606-8292
(949) 786-9464

Wingstop # 0379 - CA-La Habra
Kingdom Resources, Inc.
David Victorian
1211 E LA HABRA BLVD STE E
LA HABRA, CA 90631 - 5637
(562) 694-8000

Wingstop # 0465 - CA-La Puente
Sagar Holding Corporation
Suryakant (Ken) Patel
1238 N HACIENDA BLVD
LA PUENTE, CA 91744-1630
(626) 919-0709

Wingstop # 0368 - CA-La Verne
YEA Investments Inc.
Elton Anderson
2369 FOOTHILL BLVD STE B
LA VERNE, CA 91750-3027
(909) 596-6400

Wingstop # 0218 - CA-Lake Forest
Far West Restaurant Group, LLC
Danny Sonenshine
22611 LAKE FOREST DR STE C7
LAKE FOREST, CA 92630-1700
(949) 951-9464

Wingstop # 0266 - CA-Lakewood-Del Amo
Far West Restaurant Group, LLC
Danny Sonenshine
5910 DEL AMO BLVD
LAKEWOOD, CA 90713-1900
(562) 377-0752

Wingstop # 0265 - CA-Lancaster
GIMJ Investment Group, LLC
Daniel "Steve" Tucker
1838 E AVENUE J
LANCASTER, CA 93535-4475
(661) 949-7600

Wingstop # 0296 - CA-Lawndale
YEA Investments Inc.
Elton Anderson
15211 HAWTHORNE BLVD
LAWNDALE, CA 90260-2139
(310) 644-9464

Wingstop # 0412 - CA-Lemon Grove
M & N Lincoln Wings, L.L.C.
Nicole Drake
6969 BROADWAY
LEMON GROVE, CA 91945-1405
(619) 465-1500

Wingstop # 0083 - CA-Long Beach-Long Beach
Habiba Hoque
Nina Hoque
2000 LONG BEACH BLVD
LONG BEACH, CA 90806-4906
(562) 218-9464

Wingstop # 0277 - CA-Long Beach-Ximeno
Kingdom Resources, Inc.
David Victorian
1806 XIMENO AVE
LONG BEACH, CA 90815-2849
(562) 961-9464

Wingstop # 0392 - CA-Long Beach-Carson
Far West Restaurant Group, LLC
Danny Sonenshine
2018 E CARSON ST
LONG BEACH, CA 90807-3040
(562) 989-9464

Wingstop # 0473 - CA-Long Beach-7th
WSTWO-55, Inc.
Willie McGinest
5726 E 7TH ST
LONG BEACH, CA 90803-2002
(562) 597-9464

Wingstop # 0493 - CA-Long Beach-4th
NHNH, LLC
Nina Hoque
80 E 4TH ST STE E-120
LONG BEACH, CA 90802-2490
(562) 432-9464

Wingstop # 0507 - CA-Long Beach-Cherry
Far West Restaurant Group, LLC
Danny Sonenshine
6700 CHERRY AVE STE C
LONG BEACH, CA 90805-1717
(562) 630-9464

Wingstop # 0267 - CA-Los Angeles-Whittier
Far West Restaurant Group, LLC
Danny Sonenshine
5049 WHITTIER BLVD
LOS ANGELES, CA 90022-3116
(323) 264-9464

Wingstop # 0279 - CA-Los Angeles-Crenshaw
R&D Westwing, Inc.
Robin Kirksey
3825 CRENSHAW BLVD STE 104
LOS ANGELES, CA 90008-1849
(323) 296-9464

Wingstop # 0292 - CA-Los Angeles-La Tijera
LMS Wings, LLC
Gregory Southern
6909 LA TIJERA BLVD
LOS ANGELES, CA 90045-1906
(310) 670-9464

Wingstop # 0330 - CA-Los Angeles-Sunset
Beverly QSR, Inc.
Donald Beverly
7057 SUNSET BLVD
LOS ANGELES, CA 90028-7509
(323) 463-9464

Wingstop # 0331 - CA-Los Angeles-2280
Figueora
Vibrida QSR, Inc.
Dale Johnson
2280 S FIGUEROA ST
LOS ANGELES, CA 90007-2049
(213) 745-9464

Wingstop # 0443 - CA-Los Angeles-1754 W.
Slauson
D & D Restaurants, Inc.
Donald Beverly
1754 W SLAUSON AVE STE A
LOS ANGELES, CA 90047-1132
(323) 293-9464

Wingstop # 0494 - CA-Los Angeles-Vermont
D & D Restaurants, Inc.
Donald Beverly
8330 S VERMONT AVE
LOS ANGELES, CA 90044-3422
(323) 778-9464

Wingstop # 0584 - CA-Los Angeles-Venice
Far West Restaurant Group, LLC
Danny Sonenshine
4725 VENICE BLVD
LOS ANGELES, CA 90019-5832
(323) 634-9460

Wingstop # 0256 - CA-Lynwood-Long Beach
Far West Restaurant Group, LLC
Danny Sonenshine
10910 LONG BEACH BLVD
LYNWOOD, CA 90262-2514
(310) 762-9333

Wingstop # 0275 - CA-Merced
Wings of Joy, Inc.
Eldridge Johns
779 E YOSEMITE AVE STE D
MERCED, CA 95340-8041
(209) 383-9464

Wingstop # 0432 - CA-Milpitas
West Coast Wings Milpitas, Inc.
Robert LaVigne
80 N MILPITAS BLVD
MILPITAS, CA 95035-4403
(408) 956-9464

Wingstop # 0132 - CA-Modesto
Just Wingin' It, Inc.
Jim Toal
2100 STANDIFORD AVE STE A4
MODESTO, CA 95350-6523
(209) 577-9464

Wingstop # 0295 - CA-Monrovia
Conception Holdings, Inc.
Nikki Marcos
184 W FOOTHILL BLVD STE D-8
MONROVIA, CA 91016-2172
(626) 357-8680

Wingstop # 0276 - CA-Norco
New Envisions, Inc.
Kevin Rachall
140 HIDDEN VALLEY PKWY STE J
NORCO, CA 92860-4002
(951) 280-0707

Wingstop # 0221 - CA-Oakland
Toliver, Inc.
Emon Toliver
8450 EDGEWATER DR
OAKLAND, CA 94621-1482
(510) 639-1899

Wingstop # 0561 - CA-Pacoima-Van Nuys
WSTHREE-55, Inc.
Willie McGinest
12745 VAN NUYS BLVD
PACOIMA, CA 91331-1627
(818) 897-9464

Wingstop # 0247 - CA-Palmdale-E Ave S
GIMJ Investment Group, LLC
Daniel "Steve" Tucker
2551 E AVENUE S STE L
PALMDALE, CA 93550-6403
(661) 266-9464

Wingstop # 0369 - CA-Palmdale-10th Street
GIMJ Investment Group III, L.L.C.
Daniel "Steve" Tucker
40008 10TH STREET WEST UNIT 104
PALMDALE, CA 93551-3009
(661) 267-9999

Wingstop # 0504 - CA-Pico Rivera
Far West Restaurant Group, LLC
Danny Sonenshine
8945 1/2 WASHINGTON BLVD
PICO RIVERA, CA 90660
(562) 949-0159

Wingstop # 0325 - CA-Pinole-Fitzgerald Dr
Wings For 2 Singhs, Inc.
Bikram Randhawa
1581 FITZGERALD DR
PINOLE, CA 94564-2230
(510) 758-9464

Wingstop # 0316 - CA-Pittsburg
Brocca, Inc.
Don Brocca
4406 CENTURY BLVD
PITTSBURG, CA 94565 - 7119
(925) 778-9464

Wingstop # 0338 - CA-Pleasant Hill
Brocca, Inc.
Don Brocca
2380 MONUMENT BLVD SUITE C-1
PLEASANT HILL, CA 94523-3972
(925) 674-9464

Wingstop # 0426 - CA-Pomona
Jack Elite, Inc.
George Sapp
756 E ARROW HWY
POMONA, CA 91767-2247
(909) 624-9464

Wingstop # 0390 - CA-Rancho Cordova
Wing Pros, Inc.
Shawn Rollins
3195 ZINFANDEL DR STE 3
RANCHO CORDOVA, CA 95670-6377
(916) 635-9464

Wingstop # 0191 - CA-Rancho Cucamonga
DKLD As One, Inc.
Andrew Stamps
7217 ARCHIBALD AVE
RANCHO CUCAMONGA, CA 91701-6404
(909) 944-5572

Wingstop # 0237 - CA-Rancho Santa Margarita
Far West Restaurant Group, LLC
Danny Sonenshine
22195 EL PASEO STE 100
RANCHO SANTA MARGARITA, CA 92688-
2824
(949) 459-9464

Wingstop # 0417 - CA-Richmond-MacDonald
Richmond Restaurant Group, Inc.
Emon Toliver
4200 MACDONALD AVE
RICHMOND, CA 94805-2315
(510) 965-1200

Wingstop # 0264 - CA-Riverbank
Just Wingin' It, Inc.
Jim Toal
2251 CLARIBEL RD STE B
RIVERBANK, CA 95367-9456
(209) 869-8646

Wingstop # 0387 - CA-Riverside-Riverwalk
Big Castle, Inc.
Kevin Rachall
4290 RIVERWALK PKWY STE 300
RIVERSIDE, CA 92505-3376
(951) 785-9464

Wingstop # 0363 - CA-Sacramento-65th St
William and Ryan Pham, L.L.C.
Dung (Tony) Pham
2992 65TH ST STE 400
SACRAMENTO, CA 95817-2629
(916) 455-7266

Wingstop # 0385 - CA-Sacramento-N Freeway
Morris CM Enterprise, L.L.C.
Michael Morris
3541 N FREEWAY BLVD STE 115
SACRAMENTO, CA 95834-2903
(916) 263-9465

Wingstop # 0450 - CA-Sacramento-Florin
MTLT, Inc.
Leo Townsend
1052 FLORIN ROAD
SACRAMENTO, CA 95831-3513
(916) 392-9464

Wingstop # 0533 - CA-Sacramento-El Camino
William & Ryan Pham, LLC
Dung (Tony) Pham
3308 EL CAMINO AVE STE 100
SACRAMENTO, CA 95821-6328
(916) 482-9464

Wingstop # 0302 - CA-Salinas
Dekati Young, Inc.
Willie Young
1488 CONSTITUTION BLVD STE A
SALINAS, CA 93905-3811
(831) 449-8646

Wingstop # 0424 - CA-San Carlos
AP Abellon, Inc
Alfredo Abellon
1135 INDUSTRIAL RD STE E
SAN CARLOS, CA 94070-4163
(650) 592-9464

Wingstop # 0394 - CA-San Diego
Arya Pacific, L.L.C.
David Tabatabaee
3365 ROSECRANS ST STE B
SAN DIEGO, CA 92110-4256
(619) 523-9464

Wingstop # 0326 - CA-San Jose-Coleman Ave.
CO-AL Hospitality, LLC
Charles Fowler
503 COLEMAN AVE STE 40
SAN JOSE, CA 95110-2001
(408) 297-9464

Wingstop # 0431 - CA-San Jose-Curtner
South Bay Wings, Inc.
Terry Blanchard
121 CURTNER AVE STE 30
SAN JOSE, CA 95125
(408) 275-9464

Wingstop # 0526 - CA-San Jose-Ridder Park
West Coast Wings San Jose, Inc.
Robert LaVigne
725 RIDDER PARK DR STE 80
SAN JOSE, CA 95131-2431
(408) 573-9464

Wingstop # 0545 - CA-San Jose-King
West Coast Wings Story, Inc.
Robert LaVigne
1150 S KING RD STE 20
SAN JOSE, CA 95122-2143
(408) 929-9464

Wingstop # 0549 - CA-San Jose-Almaden
Expressway
KP Group, Inc.
Thomas Kais
5353 ALMADEN EXPY STE N-62
SAN JOSE, CA 95118-3637
(408) 723-9464

Wingstop # 0327 - CA-San Leandro
Wingship & Associates II, Inc.
Roxanne Stone
15555 E 14TH ST STE 317
SAN LEANDRO, CA 94578-1971
(510) 278-9464

Wingstop # 0367 - CA-San Ramon
Ethnic Baby Wings, Inc.
Darren Ruth
3171 CROW CANYON PL STE H 9
SAN RAMON, CA 94583-1358
(925) 867-9464

Wingstop # 0572 - CA-Santa Ana-MacArthur
Far West Restaurant Group, LLC
Danny Sonenshine
2801 W MACARTHUR BLVD STE C
SANTA ANA, CA 92704-7096
(714) 545-9494

Wingstop # 0315 - CA-Santa Clarita-Soledad
Canyon 1 West
The Fray Group, Inc.
Richard Fray
22931 SOLEDAD CANYON ROAD
SANTA CLARITA, CA 91350-2633
(661) 254-3500

Wingstop # 0435 - CA-Santa Clarita-Soledad
Canyon 2 East
The Fray Group, Inc.
Richard Fray
18547 SOLEDAD CANYON RD
SANTA CLARITA, CA 91351-3700
(661) 251-9700

Wingstop # 0570 - CA-Santa Cruz-Almar Ave
Santa Cruz Wings, LLC
Charles Fowler
845 ALMAR AVE
SANTA CRUZ, CA 95060-5848
(831) 454-9464

Wingstop # 0519 - CA-Santa Maria
Dad&Daughters Wings, Inc.
Matthew (John) Pasetta
560 E BETTERAVIA RD STE D
SANTA MARIA, CA 93454-8810
(805) 614-9464

Wingstop # 0543 - CA-Santa Rosa-Stony Point
US Property Management, LLC
Michelle Artap
760 STONY POINT RD STE C-120
SANTA ROSA, CA 95407-6864
(707) 544-9464

Wingstop # 0550 - CA-South San Francisco
Punjabi Brothers Corp.
Bahadur (Bob) Shoker
22 CHESTNUT AVE
SOUTH SAN FRANCISCO, CA 94080-3229
(650) 877-9464

Wingstop # 0069 - CA-Stockton-West Ln
Xfinity Holdings, LLC
Ranjan Bhasin
5052 WEST LN STE 4L
STOCKTON, CA 95210-3590
(209) 477-8207

Wingstop # 0213 - CA-Stockton-Trinity
Double Play Wings, Inc.
Mike Ryan
10742 TRINITY PKWY STE C
STOCKTON, CA 95219-7233
(209) 474-3238

Wingstop # 0451 - CA-Sunnyvale
CO-AL Hospitality, LLC
Charles Fowler
1661 HOLLENBECK AVE STE B
SUNNYVALE, CA 94087-5402
(408) 733-9464

Wingstop # 0486 - CA-Torrance
LMS Wings, LLC
Gregory Southern
17419 CRENSHAW BLVD
TORRANCE, CA 90504-3401
(310) 516-1700

Wingstop # 0485 - CA-Tracy-11th St
Wingalicious Restaurants, Inc.
Jeff Conley
1988 W 11TH ST
TRACY, CA 95376-3738
(209) 836-9464

Wingstop # 0530 - CA-Turlock
Just Wingin' It, Inc.
Jim Toal
3102 GEER RD UNIT 103
TURLOCK, CA 95382-1119
(209) 668-9464

Wingstop # 0293 - CA-Union City
West Coast Wings, LLC
Robert LaVigne
1648 DECOTO RD
UNION CITY, CA 94587-3544
(510) 471-9464

Wingstop # 0324 - CA-Vallejo
Wings For 2 Singhs, Inc.
Bikram Randhawa
972 ADMIRAL CALLAGHAN LN
VALLEJO, CA 94591-8662
(707) 557-9464

Wingstop # 0458 - CA-Van Nuys
WSONE-55, Inc.
Willie McGinest
6734 SEPULVEDA BLVD
VAN NUYS, CA 91411-1248
(818) 786-9464

Wingstop # 0313 - CA-Walnut Park
Far West Restaurant Group, LLC
Danny Sonenshine
2124 E FLORENCE AVE
WALNUT PARK, CA 90255-5651
(323) 581-9466

Wingstop # 0522 - CA-West Sacramento
Mann & Company, Inc.
Bhupinder (Bob) Uppal
763 IKEA CT STE 300
WEST SACRAMENTO, CA 95605-1621
(916) 375-1234

Wingstop # 0565 - CA-Yuba City-Colusa
Mann Company, Inc.
Bhupinder (Bob) Uppal
1707 COLUSA HWY STE 100
YUBA CITY, CA 95993-9440
(530) 671-9464

COLORADO

Wingstop # 0100 - CO-Arvada
Wingbats, LLC
Tom Gerrity
8025 SHERIDAN BLVD UNIT U
ARVADA, CO 80003-1926
(303) 428-9464

Wingstop # 0094 - CO-Aurora-Iliff
Pinnacle Aurora, LLC
Joe Sugrue
16883 E ILIFF AVE STE 106
AURORA, CO 80013-1136
(303) 755-9464

Wingstop # 0159 - CO-Aurora-Havana
Pinnacle Denver, LLC
Joe Sugrue
1175 S HAVANA ST UNIT A2
AURORA, CO 80012-4016
(303) 306-9464

Wingstop # 0171 - CO-Aurora-Cedar
Mile High Wings, LLC
Joe Sugrue
14221 E CEDAR AVE UNIT D
AURORA, CO 80012-1427
(303) 343-9464

Wingstop # 0204 - CO-Aurora-Gun Club Rd
Colorado Wings East LLC
Joe Sugrue
6140 S GUN CLUB RD
AURORA, CO 80016-2605
(303) 690-0137

Wingstop # 0578 - CO-Broomfield-1st Ave
Oz International, LLC
Tye Olsen
1255 E 1ST AVE UNIT B
BROOMFIELD, CO 80020-3784
(303) 456-9464

Wingstop # 0078 - CO-Colorado Springs-
Academy
T.O. Wings #3, LLC
Tye Olsen
530 S ACADEMY BLVD
COLORADO SPRINGS, CO 80910-2636
(719) 591-9464

Wingstop # 0143 - CO-Colorado Springs-
Stetson
T.O. Wings #3, LLC
Tye Olsen
6056 STETSON HILLS BLVD
COLORADO SPRINGS, CO 80922-3562
(719) 597-9464

Wingstop # 0187 - CO-Colorado Springs-
Southgate
T.O. Wings #3, LLC
Tye Olsen
1914 SOUTHGATE RD
COLORADO SPRINGS, CO 80906-2688
(719) 475-9464

Wingstop # 0167 - CO-Denver-Leetsdale
Colorado Wings, LLC
Joe Sugrue
7150 LEETSDALE DR UNIT 410
DENVER, CO 80224-3516
(303) 331-9464

Wingstop # 0181 - CO-Denver-E 20th
Pinnacle Washington, LLC
Joe Sugrue
757 E 20TH AVE STE 400
DENVER, CO 80205-3292
(303) 861-9464

Wingstop # 0227 - CO-Denver-Chambers
Pinnacle Colefax, LLC
Joe Sugrue
5125 CHAMBERS RD UNIT C
DENVER, CO 80239-4231
(303) 576-9479

Wingstop # 0291 - CO-Denver-Alameda
Pinnacle Aurora East, LLC
Joe Sugrue
2001 W ALAMEDA AVE
DENVER, CO 80223-1922
(303) 722-0734

Wingstop # 0497 - CO-Highlands Ranch
P.A.E., LLC
Joe Sugrue
9559 S UNIVERSITY BLVD UNIT 106
HIGHLANDS RANCH, CO 80126-7805
(303) 471-9464

Wingstop # 0036 - CO-Lakewood
Pinnacle Food & Beverage, LLC
Joe Sugrue
1057 S WADSWORTH BLVD STE 80
LAKEWOOD, CO 80226-4362
(303) 980-9464

Wingstop # 0134 - CO-Thornton-120th
Wings Over the Rockies, Inc.
Aaron Zipp
3732 E 120TH AVE
THORNTON, CO 80233-1656
(303) 280-9464

Wingstop # 0471 - CO-Thornton-Washington
Wings Over the Rockies, Inc.
Aaron Zipp
9645 WASHINGTON ST UNIT 130
THORNTON, CO 80229
(303) 289-9464

FLORIDA

Wingstop # 0059 - FL-Casselberry
Villamar Restaurants, Inc.
Saeed Sarraf
1050 STATE ROAD 436
CASSELBERRY, FL 32707-5722
(407) 834-9464

Wingstop # 0258 - FL-Coconut Creek
CLS Enterprise, LLC
Charles Scott
4570 LYONS RD STE 104
COCONUT CREEK, FL 33073-3481
(954) 935-9464

Wingstop # 0420 - FL-Deerfield Beach
Durham Enterprises, L.L.C.
Robert Durham
3656 W HILLSBORO BLVD STE A
DEERFIELD BEACH, FL 33442-9426
(954) 422-9621

Wingstop # 0383 - FL-Destin
Sand, Surf and Wings, L.L.C.
Orton Messenger
16055 EMERALD COAST PKWY STE 111
DESTIN, FL 32541-8531
(850) 837-5333

Wingstop # 0047 - FL-Gainesville
R & B Wings, Inc.
Ruth Kirby
4310 SW 20TH AVE
GAINESVILLE, FL 32607-4200
(352) 692-2345

Wingstop # 0500 - FL-Hialeah
The Chicken Little Wing of the South, Inc.
Regino Sanchez
1133 W 68TH ST
HIALEAH, FL 33014-5152
(305) 362-5000

Wingstop # 0209 - FL-Hollywood-Taft
AA Management and Consulting, Inc.
Nydia Martinez
6611 TAFT ST
HOLLYWOOD, FL 33024-4010
(954) 981-9466

Wingstop # 0205 - FL-Lauderhill-Oakland Park
MC Wings III, Inc.
Michael Caradulis
5574 W OAKLAND PARK BLVD
LAUDERHILL, FL 33313-1403
(954) 677-4000

Wingstop # 0183 - FL-Margate-Atlantic
MC Wings II, Inc.
Michael Caradulis
5413 W ATLANTIC BLVD
MARGATE, FL 33063-5210
(954) 977-9464

Wingstop # 0305 - FL-Miami-SW 120th
Global Wings Corporation
Jacinto Cabrera
12524 SW 120TH ST
MIAMI, FL 33186-9064
(305) 233-2000

Wingstop # 0346 - FL-Miami-Old Cutler Rd
Sincore Enterprises, Inc.
Richard Sincore
20565 OLD CUTLER RD STE 20565
MIAMI, FL 33189-2456
(305) 969-9464

Wingstop # 0389 - FL-Miami-NW 62nd St
Wing Group, LLC
Rod Stokes
651 NW 62ND ST
MIAMI, FL 33150-4329
(305) 754-5455

Wingstop # 0092 - FL-Miami-2nd Ave
TDH Capital, LLC
Tina Howell
21317 NW 2ND AVE
MIAMI GARDENS, FL 33169-2112
(305) 690-9647

Wingstop # 0173 - FL-Opa Locka-NW 27th
Wing Team, LLC
Rod Stokes
16650 NW 27TH AVE
OPA LOCKA, FL 33054-6409
(305) 625-6200

Wingstop # 0243 - FL-Pensacola-Mobile Hwy
Wings Over Emerald Coast Inc.
Anne Taylor
4600 MOBILE HWY STE 6
PENSACOLA, FL 32506-3508
(850) 458-6100

Wingstop # 0354 - FL-Pensacola-Bayou Blvd
Wings Over Emerald Coast Inc.
Anne Taylor
5147 BAYOU BLVD
PENSACOLA, FL 32503 - 2101
(850) 912-4408

Wingstop # 0079 - FL-Plantation
MC Wings, Inc.
Michael Caradulis
8263 W SUNRISE BLVD
PLANTATION, FL 33322-5403
(954) 723-9464

Wingstop # 0037 - FL-Tallahassee-Mahan
DG Wings, Inc.
Deborah Brown
3111 MAHAN DR STE 21
TALLAHASSEE, FL 32308-5511
(850) 942-9464

Wingstop # 0105 - FL-Tallahassee-Tennessee St
DG Wings, Inc.
Deborah Brown
1964 W TENNESSEE ST STE 4
TALLAHASSEE, FL 32304-3238
(850) 574-9464

Wingstop # 0382 - FL-Tallahassee-Thomasville
Rd
DG Wings, Inc.
Deborah Brown
6668 THOMASVILLE RD STE 111
TALLAHASSEE, FL 32312-3836
(850) 219-9464

Wingstop # 0135 - FL-Tampa-Fowler
Basic Principles Corporation
Marcus McCants
2776 E FOWLER AVE
TAMPA, FL 33612-6297
(813) 903-9464

GEORGIA

Wingstop # 0076 - GA-Atlanta-Roswell
Global Visions Connect, LLC
Johnny Blake
8725 ROSWELL RD STE M
ATLANTA, GA 30350-7500
(770) 640-6000

Wingstop # 0101 - GA-Augusta-Wrightboro
R & J Wings, LLC
Richard Branker
2803 WRIGHTSBORO RD STE 31
AUGUSTA, GA 30909-3919
(706) 737-7977

Wingstop # 0147 - GA-Lawrenceville
Rising Star Enterprises, LLC
Edwin (Ed) A. Cooper
3059 LAWRENCEVILLE HWY STE J
LAWRENCEVILLE, GA 30044-6426
(770) 931-3400

Wingstop # 0048 - GA-Martinez
R & J Wings, LLC
Richard Branker
3836 WASHINGTON RD STE 8
MARTINEZ, GA 30907-5059
(706) 650-8118

IDAHO

Wingstop # 0309 - ID-Couer d Alene
Ray Doyle and Johnsy Doyle
Ray Doyle
2630 N GOVERNMENT WAY
COEUR D ALENE, ID 83815-3750
(208) 765-9464

ILLINOIS

Wingstop # 0523 - IL-Aurora-Eola
Lalani Properties, Ltd.
Nizarali (Nick) Lalani
444 N EOLA RD STE 102
AURORA, IL 60502-9620
(630) 898-9464

Wingstop # 0300 - IL-Carol Stream
Wings of Roselle, LLC
Vincent Romano
566 W ARMY TRAIL ROAD
CAROL STREAM, IL 60188-9224
(630) 690-9464

Wingstop # 0406 - IL-Chicago-N. Milwaukee
R & M Wings, Ltd.
Ramiro Barajas
1637 N MILWAUKEE AVE
CHICAGO, IL 60647-5411
(773) 235-9464

Wingstop # 0437 - IL-Chicago-Western Ave
Winca, Inc.
Rick Chaquinga
3326 N WESTERN AVE
CHICAGO, IL 60618-6213
(773) 697-0009

Wingstop # 0537 - IL-Chicago-Harrison
OAWAP II, LLC
Thomas Schaffer
12 E HARRISON ST
CHICAGO, IL 60605
(312) 386-9464

Wingstop # 0551 - IL-Chicago-Pulaski
Five Points Wings, LLC
Patrick Madden
4428 S PULASKI RD
CHICAGO, IL 60632-4011
(773) 847-4747

Wingstop # 0039 - IL-Decatur-King
Decatur Wings Inc.
Eddie Williams
1491 W KING ST
DECATUR, IL 62522-1444
(217) 424-9464

Wingstop # 0410 - IL-Downers Grove
Apollo's Wings, L.L.C.
Michael Horstman
2589 OGDEN AVENUE UNIT 2
DOWNERS GROVE, IL 60515-1708
(630) 963-9464

Wingstop # 0057 - IL-Elmwood Park
LNN, Inc.
Nick Nardello
1740 N HARLEM AVE
ELMWOOD PARK, IL 60707-4304
(708) 452-1010

Wingstop # 0376 - IL-Evanston
SFWH, Inc.
Julius Soro
2434 MAIN ST STE F
EVANSTON, IL 60202-1548
(847) 869-9464

Wingstop # 0429 - IL-Evergreen Park
OAWAP, L.L.C.
Thomas Schaffer
2511 W 95TH ST
EVERGREEN PARK, IL 60805-2808
(708) 422-9464

Wingstop # 0365 - IL-Glen Ellyn
JKS of Illinois, LLC
Debra Foley
545C ROOSEVELT RD
GLEN ELLYN, IL 60137-5734
(630) 858-9464

Wingstop # 0463 - IL-Lansing
AC Moline, Inc.
Kim Moline
17707 TORRENCE AVE
LANSING, IL 60438-1834
(708) 418-8880

Wingstop # 0399 - IL-Naperville-Forgue
Lalani Properties, Ltd.
Nizarali (Nick) Lalani
2695 FORGUE DR STE 101
NAPERVILLE, IL 60564-3700
(630) 717-9464

Wingstop # 0557 - IL-Niles-West Touhy Ave.
Touhy Wings and Fries, Inc.
Shayan Halani
5706 W TOUHY AVE STE A-2
NILES, IL 60714-4606
(847) 647-9464

Wingstop # 0520 - IL-Northlake
MNN Inc.
Nick Nardello
6 W NORTH AVE STE 200 & 300
NORTHLAKE, IL 60164-2303
(708) 531-1515

Wingstop # 0515 - IL-Peoria
Shavis, LLC
Brian Davis
1212 W GLEN
PEORIA, IL 61614-4838
(309) 839-2549

Wingstop # 0273 - IL-Roselle
Wings of Roselle, LLC
Vincent Romano
1306 W LAKE ST STE 414
ROSELLE, IL 60172-3363
(630) 529-5700

Wingstop # 0552 - IL-South Holland-State
Street
A.C. Moline, Inc.
Kim Moline
16144 STATE ST
SOUTH HOLLAND, IL 60473-1236
(708) 825-1656

INDIANA

Wingstop # 0419 - IN-Shelby
Jireh Investments, L.L.C.
Michelle Sadler
7711 SHELBY ST STE A
INDIANAPOLIS, IN 46227-5958
(317) 889-9464

KENTUCKY

Wingstop # 0257 - KY-Paducah
Word Enterprises LLC
Joe Word
5187 HINKLEVILLE RD STE I
PADUCAH, KY 42001-9681
(270) 415-9264

LOUISIANA

Wingstop # 0082 - LA-Baton Rouge
TimJen, LLC
Tim Milano
3034 S SHERWOOD FOREST BLVD STE 1B
BATON ROUGE, LA 70816-2219
(225) 291-9464

Wingstop # 0539 - LA-Baton Rouge-Bluebonnet
TimJen, LLC
Tim Milano
9880 BLUEBONNET BLVD STE C-3A
BATON ROUGE, LA 70810-6462
(225) 400-9464

Wingstop # 0246 - LA-Bossier City
The Gladstone Group, Inc.
Scott Quigley
901 BENTON RD STE C
BOSSIER CITY, LA 71111-3667
(318) 746-6666

Wingstop # 0459 - LA-Gonzales
TimJen, LLC
Tim Milano
122 S AIRLINE HWY, STE D
GONZALES, LA 70737
(225) 644-9464

Wingstop # 0049 - LA-Houma
Louisiana Wings, LLC
Kevin Morvant
500 CORPORATE DR STE L
HOUMA, LA 70360-2837
(985) 857-9464

Wingstop # 0133 - LA-Lafayette-Ambassador
Louisiana Wings, LLC
Kevin Morvant
2865 AMBASSADOR CAFFERY PKWY STE
113
LAFAYETTE, LA 70506-5943
(337) 993-9464

Wingstop # 0107 - LA-Monroe-Sterlington Rd
Jones Management, LLC
Clarence Jones
2340 STERLINGTON RD
MONROE, LA 71203-3044
(318) 388-8824

Wingstop # 0360 - LA-Ruston
Jones Management, LLC
Clarence Jones
720 CELEBRITY DRIVE STE 187
RUSTON, LA 71270-3875
(318) 254-5117

Wingstop # 0109 - LA-Shreveport
The Gladstone Group, Inc.
Scott Quigley
779 SHREVEPORT BARKSDALE HWY
SHREVEPORT, LA 71105-2201
(318) 868-3133

Wingstop # 0513 - LA-Shreveport-W. Port
East Mockingbird, Inc.
Scott Quigley
6205 W PORT AVE STE 400
SHREVEPORT, LA 71129-2327
(318) 687-5000

Wingstop # 0311 - LA-Thibodaux
Louisiana Wings, LLC
Kevin Morvant
612 N CANAL BLVD
THIBODAUX, LA 70301-8070
(985) 448-9464

Wingstop # 0016 - LA-West Monroe
Jones Management, LLC
Clarence Jones
4920 CYPRESS ST LOT F
WEST MONROE, LA 71291-7673
(318) 397-9464

Wingstop # 0512 - LA-Zachary-Main St
Central Investment Group, LLC
Ken Kelly
5875 MAIN ST STE B
ZACHARY, LA 70791-4054
(225) 654-9464

MARYLAND

Wingstop # 0583 - MD-Baltimore-Reistertown
Hilltop Wing Bling, LLC
Rahim Kurji
5449-5451 REISTERTOWN RD
BALTIMORE, MD 21215
(443) 213-8077

Wingstop # 0103 - MD-Gaithersburg
RedCow Polity II, L.L.C.
Daniel Remaklus
20201 GOSHEN RD SPC G
GAITHERSBURG, MD 20879-4000
(301) 977-8060

Wingstop # 0238 - MD-Rockville
RedCow Polity, L.L.C.
Daniel Remaklus
14925 SHADY GROVE RD UNIT H
ROCKVILLE, MD 20850-7731
(301) 309-9464

MISSISSIPPI

Wingstop # 0514 - MS-Clinton
Delta Wings #4 LLC
Stephen Stewart
1001 HAMPSTEAD BLVD
CLINTON, MS 39056-5206
(601) 924-2423

Wingstop # 0118 - MS-Gulfport
Wing King, Inc.
Susan Hurt
1307 E PASS RD
GULFPORT, MS 39507-3406
(228) 896-5556

Wingstop # 0182 - MS-Jackson-Ellis
Delta Wings #2, LLC
Stephen Stewart
1430 ELLIS AVE
JACKSON, MS 39204-2204
(601) 969-0606

Wingstop # 0453 - MS-Jackson-State
Delta Wings 3, LLC
Stephen Stewart
952 N STATE ST
JACKSON, MS 39202-2613
(601) 969-6400

Wingstop # 0151 - MS-Ridgeland-Hwy 51 N
Delta Wings #1, LLC
Stephen Stewart
398 HIGHWAY 51 N STE 40
RIDGELAND, MS 39157-4430
(601) 605-0504

MISSOURI

Wingstop # 0536 - MO-Blue Springs-Coronado
Synergy WS1, LLC
William Wrisinger
481 NE CORONADO
BLUE SPRINGS, MO 64014-3000
(816) 224-9464

Wingstop # 0166 - MO-Ferguson
GSR Restaurants MO, LLC
Rahul Agrawal
10841 W FLORISSANT AVE
FERGUSON, MO 63136-2405
(314) 522-9696

Wingstop # 0097 - MO-Florissant
GSR Restaurants MO, LLC
Rahul Agrawal
8222 N LINDBERGH BLVD
FLORISSANT, MO 63031-7107
(314) 830-9464

Wingstop # 0116 - MO-Kansas City
KC Wingteam, LLC
Dan Ward
4313 N CHOUTEAU TRFY
KANSAS CITY, MO 64117-1724
(816) 454-9464

Wingstop # 0217 - MO-O'Fallon
GSR Restaurants MO, LLC
Rahul Agrawal
8610 MEXICO RD
O FALLON, MO 63366-7507
(636) 272-9464

Wingstop # 0492 - MO-Overland-Overland
Plaza
GSR Restaurants MO, LLC
Rahul Agrawal
9164 OVERLAND PLZ
OVERLAND, MO 63114-6123
(314) 427-9464

Wingstop # 0120 - MO-Saint Louis
GSR Restaurants MO, LLC
Rahul Agrawal
3626 S GRAND BLVD
SAINT LOUIS, MO 63118-3404
(314) 776-9464

Wingstop # 0043 - MO-Springfield-Battlefield
AR Brooks, LLC
Richard Snyder
303C E BATTLEFIELD ST
SPRINGFIELD, MO 65807-4903
(417) 890-9889

NEBRASKA

Wingstop # 0117 - NE-Omaha-Blondo Street
Fatso, Inc.
Steve Morrison
11983 BLONDO ST
OMAHA, NE 68164-3635
(402) 934-9464

Wingstop # 0542 - NE-Omaha-71st Street
Wingman, Inc.
Robert Morrison
1110 S 71ST ST STE A
OMAHA, NE 68106-1165
(402) 502-7999

NEVADA

Wingstop # 0241 - NV-Las Vegas-Santa Fe
Station Hotel Casino
Campero Dallas-Fort Worth Gen-PAR, LC
Gary Shultz
4949 N RANCHO DR
LAS VEGAS, NV 89130-3505
(702) 312-9464

Wingstop # 0328 - NV-Reno-Meadows
D and M Wing Team 2, LLC
Dean Siracusa
720 S MEADOWS PKWY STE 1
RENO, NV 89521-4843
(775) 852-3223

Wingstop # 0375 - NV-Reno-Mae Anne Ave
D & M Wing Team 3, L.L.C.
Dean Siracusa
5100 MAE ANNE AVE STE 4
RENO, NV 89523-1921
(775) 746-9464

Wingstop # 0282 - NV-Sparks
Myong's Wings #1, LLC
Myong Shepherd
2868 VISTA BLVD STE 112
SPARKS, NV 89434-8043
(775) 356-9464

NEW MEXICO

Wingstop # 0479 - NM-Albuquerque-
Montgomery
Montgomery Wings, LLC
Tommy Hicks II
6125 MONTGOMERY BLVD NE STE 66
ALBUQUERQUE, NM 87109-1487
(505) 881-9464

Wingstop # 0480 - NM-Albuquerque-Coors
I-40 Wings, LLC
Tommy Hicks II
2641 COORS BLVD NW STE A
ALBUQUERQUE, NM 87120-1763
(505) 836-2300

Wingstop # 0488 - NM-Albuquerque-Golf Course
Golf Course Wings, LLC
Tommy Hicks II
10401 GOLF COURSE RD NW STE 104
ALBUQUERQUE, NM 87114-6184
(505) 792-9464

Wingstop # 0055 - NM-Las Cruces
CNJ Wings, Inc.
Charles Loflin
1420 MISSOURI AVE STE 11A
LAS CRUCES, NM 88001-5330
(575) 532-5252

NEW YORK

Wingstop # 0535 - NY-Astoria-Steinway
31 14 Steinway Inc.
Macmillan Khahera
31 14 STEINWAY ST
ASTORIA, NY 11103-3958
(718) 777-9464

Wingstop # 0588 - NY-Brooklyn-Livingston
Team CMC, LLC
Constanze Han
289 LIVINGSTON ST
BROOKLYN, NY 11217-1001
(718) 260-9464

NORTH CAROLINA

Wingstop # 0206 - NC-Durham-Hwy 54
JET Wings, Inc.
Jeffrey E. Tsipis
202 W NC HIGHWAY 54 STE 202
DURHAM, NC 27713-7564
(919) 484-4100

Wingstop # 0527 - NC-Raleigh
FTLC Wings, LLC
Frankie Pourron
1721 NEW HOPE CHURCH RD
RALEIGH, NC 27609-6373
(919) 872-8856

OHIO

Wingstop # 0155 - OH-Mentor on the Lake
Jung, Inc.
Samir Abou-Diwan
5907 ANDREWS RD
MENTOR ON THE LAKE, OH 44060-8532
(440) 257-9464

OKLAHOMA

Wingstop # 0388 - OK-Lawton
Rohan Roberts
Rohan Roberts
1400 NW SHERIDAN RD STE E
LAWTON, OK 73505-3979
(580) 357-2800

Wingstop # 0444 - OK-Midwest City
Alfiematen, Inc.
Kofi Kyerematen
7201 SE 29TH ST STE 203
MIDWEST CITY, OK 73110
(405) 737-8888

Wingstop # 0436 - OK-Norman
Sooner Wings, L.L.C.
Clint Latham
1812 24TH AVE NW
NORMAN, OK 73069-6392
(405) 321-9464

Wingstop # 0024 - OK-Oklahoma City-39th
Alfiematen, Inc.
Kofi Kyerematen
3631 NW 39TH ST
OKLAHOMA CITY, OK 73112-6309
(405) 947-9464

Wingstop # 0031 - OK-Oklahoma City-
Pennsylvania
J Squared Exports, Inc.
Jennifer Graham
12225 N PENNSYLVANIA AVE
OKLAHOMA CITY, OK 73120-7835
(405) 755-4411

Wingstop # 0081 - OK-Oklahoma City-104th
Roystin, Inc.
Lydia Arday
912 SW 104TH ST
OKLAHOMA CITY, OK 73139-3008
(405) 691-4242

Wingstop # 0064 - OK-Tulsa-Garnett
Playlater, Inc.
Charris Edwards Jefferson
3132 S GARNETT RD STE B
TULSA, OK 74146-1901
(918) 622-9464

Wingstop # 0448 - OK-Tulsa-Yale
Playlater II, L.L.C.
Charris Edwards Jefferson
1921 S. YALE AVE
TULSA, OK 74112-6218
(918) 743-9464

Wingstop # 0524 - OK-Tulsa-81st
Playlater III, LLC
Charris Edwards Jefferson
2036 E 81ST ST
TULSA, OK 74137-4323
(918) 995-2200

OREGON

Wingstop # 0317 - OR-Portland-82nd Ave
LAS Wings, LLC
Alan Shaffer
4124 SE 82ND AVE STE 800
PORTLAND, OR 97266-2944
(503) 771-9464

PENNSYLVANIA

Wingstop # 0467 - PA-Philadelphia-Broad
Street
Brock's Wings, LLC
Raheem Brock
1600 N BROAD ST STE 5
PHILADELPHIA, PA 19121-3455
(215) 765-6555

SOUTH CAROLINA

Wingstop # 0161 - SC-North Augusta
R & J Wings, LLC
Richard Branker
358 E MARTINTOWN RD
NORTH AUGUSTA, SC 29841-5808
(803) 279-5664

Wingstop # 141 - SC-North Charleston
Flying High Wings, Inc.
John Hanekamp
4391 DORCHESTER RD STE 230
NORTH CHARLESTON, SC 29405-8408
(843) 225-9464

Wingstop # 0469 - SC-Spartanburg
Looking Ahead, Inc.
Jesse Prioleau
111 E BLACKSTOCK RD STE 200
SPARTANBURG, SC 29301-2604
(864) 541-7617

TENNESSEE

Wingstop # 0351 - TN-Antioch
Wings of Tennessee #2, LLC
Nick Hawn
847 HAMILTON CROSSING DRIVE
ANTIOCH, TN 37013-8909
(615) 361-3525

Wingstop # 0127 - TN-Cordova
Nance Investment, LLC
Donald Nance
1605 N GERMANTOWN PKWY STE 103
CORDOVA, TN 38016-5974
(901) 737-7000

Wingstop # 0580 - TN-Memphis-Winchester Rd
Boss Wings, LLC
Tawanda Roberts
7706 WINCHESTER ROAD #103
MEMPHIS, TN 38125-2399
(901) 758-6201

Wingstop # 0270 - TN-Murfreesboro
Wings of Tennessee #1, LLC
Nick Hawn
452 N THOMPSON LN STE C
MURFREESBORO, TN 37129-4310
(615) 848-2929

TEXAS

Wingstop # 0084 - TX-Abilene-Buffalo Gap Rd.
Iraj, Ltd.
Iraj Agahi
4102 BUFFALO GAP RD STE C
ABILENE, TX 79605-7203
(325) 692-9464

Wingstop # 0407 - TX-Alamo
Gabriella's Heavenly Wings III, L.L.C.
John Ortiz
1451 DURANTA AVE STE 6
ALAMO, TX 78516
(956) 783-9464

Wingstop # 0405 - TX-Alice
JM Lozano Enterprises, L.L.C.
Jose (JM) Lozano
2611 E MAIN ST STE 701
ALICE, TX 78332-4256
(361) 668-9464

Wingstop # 0249 - TX-Allen
Wings By Metten, Ltd.
Todd Metten
543 W MCDERMOTT DR
ALLEN, TX 75013-2705
(214) 383-2010

Wingstop # 0090 - TX-Amarillo-45th St.
Currie Wings, LTD
Audra Currie
5807 W 45TH AVE STE 260
AMARILLO, TX 79109-5280
(806) 353-9464

Wingstop # 0416 - TX-Amarillo-I-40 E
Currie Wings, LTD
Audra Currie
3300 E INTERSTATE 40 STE 900
AMARILLO, TX 79103-4801
(806) 331-9464

Wingstop # 0007 - TX-Arlington-S Cooper
Side Bite, Inc.
Tim Blakeney
5415 S COOPER ST STE 113
ARLINGTON, TX 76017-6151
(817) 557-8663

Wingstop # 0010 - TX-Arlington-Rd to Six
Flags
J. S. Wings, L.P.
James Cook
915 ROAD TO SIX FLAGS ST E
ARLINGTON, TX 76011-5028
(817) 461-9464

Wingstop # 0087 - TX-Arlington-Little Rd
J.S. Wings, L.P.
James Cook
4407 LITTLE RD STE 660
ARLINGTON, TX 76016-5622
(817) 561-0700

Wingstop # 0154 - TX-Arlington-Green Oaks
J. S. Wings LP
James Cook
2356 SE GREEN OAKS BLVD STE 190
ARLINGTON, TX 76018-0918
(817) 417-9464

Wingstop # 0332 - TX-Arlington-Pioneer Pkwy
Pioneer Wings, LP
Tommy Hicks II
901 W PIONEER PKWY
ARLINGTON, TX 76013-7638
(817) 860-9464

Wingstop # 0108 - TX-Austin-William Cannon
P51 Wings, Inc.
Daniel Nicholson
500 W WILLIAM CANNON DR STE 422
AUSTIN, TX 78745-5852
(512) 416-9464

Wingstop # 0164 - TX-Austin-Riverside
CNJ Austin Wings II, Inc.
Charles Loflin
2410 E RIVERSIDE DR STE A1
AUSTIN, TX 78741-3052
(512) 851-9464

Wingstop # 0188 - TX-Austin-Lamar
CNJ Austin Wings I, Inc.
Charles Loflin
9616 N LAMAR BLVD STE 151
AUSTIN, TX 78753-4150
(512) 873-1294

Wingstop # 0342 - TX-Austin- Parmer Lane
Austin Wingco, Inc.
Rahul Agrawal
1701 W PARMER LANE SUITE 104
AUSTIN, TX 78727-4506
(512) 977-9464

Wingstop # 0509 - TX-Baytown
MCME, LLC
Rahul Agrawal
5123 GARTH RD
BAYTOWN, TX 77521-9641
(281) 421-0900

Wingstop # 0423 - TX-Bellmead
GSR Restaurants, LLC
Rahul Agrawal
600 N LOOP 340 STE 104
BELLMEAD, TX 76705-2797
(254) 799-9464

Wingstop # 0068 - TX-Brownsville-Paredes
R & R Stop, Ltd.
Raul Torres
2501 PAREDES LINE RD STE A3
BROWNSVILLE, TX 78526-1194
(956) 546-6700

Wingstop # 0235 - TX-Brownsville-Southmost
Wings By The Border, Inc.
Raul Torres
2950 SOUTHMOST RD STE 106
BROWNSVILLE, TX 78521-5168
(956) 541-9464

Wingstop # 0287 - TX-Brownsville-FM 802
Wings By The Border II, Inc.
Raul Torres
5850 FM 802 STE E1
BROWNSVILLE, TX 78526-5211
(956) 831-9464

Wingstop # 0577 - TX-Brownsville-Central
Blvd-SPORTS
Wings By The Border V, Inc.
Raul Torres
1905 CENTRAL BLVD
BROWNSVILLE, TX 78520
(956) 542-9464

Wingstop # 0061 - TX-Cedar Hill
CMRG-SDallas Investments, LP
Todd Murrah
104 W BELT LINE RD STE 4
CEDAR HILL, TX 75104-2062
(469) 272-3900

Wingstop # 0411 - TX-Cedar Park
Austin Wingco, Inc.
Rahul Agrawal
401 W WHITESTONE BLVD STE B100
CEDAR PARK, TX 78613-7005
(512) 996-9464

Wingstop # 0035 - TX-College Station
Supreme Wings Inc.
Hongyan (Janet) Vincent
700 UNIVERSITY DR E STE B201
COLLEGE STATION, TX 77840-1848
(979) 846-9464

Wingstop # 0229 - TX-Conroe
Tran Wings, LLC
Viet Tran
2200 I 45 N STE D
CONROE, TX 77301-1706
(936) 756-0289

Wingstop # 0050 - TX-Corpus Christi-Weber
C. C. Wings I, Inc.
Charles Loflin
5821 WEBER RD
CORPUS CHRISTI, TX 78413-3966
(361) 855-8899

Wingstop # 0149 - TX-Corpus Christi-
Woolridge
E & J Wingers, LLC
Estebanon Barnes
6313 WOOLDRIDGE RD STE 1
CORPUS CHRISTI, TX 78414-2921
(361) 906-9464

Wingstop # 0312 - TX-Corpus Christi- Ayers
C.C. Wings II, Inc.
Charles Loflin
4918 AYERS ST STE 102
CORPUS CHRISTI, TX 78415-1431
(361) 850-9464

Wingstop # 0404 - TX-Corsicana
G M Hicks Enterprises, Inc.
Jeff Worthen
1500 W 7TH AVE
CORSICANA, TX 75110-4901
(903) 872-9000

Wingstop # 0129 - TX-Crowley
C & B Wings, LP
Tommy Hicks II
910 S CROWLEY RD STE 201
CROWLEY, TX 76036-3686
(817) 297-0089

Wingstop # 0323 - TX-Cypress
Buffwings Enterprises, Inc.
Khoa Ngo
24159 HWY 290 STE 250
CYPRESS, TX 77429
(281) 758-2900

Wingstop # 0005 - TX-Dallas-Camp Wisdom
CMRG-SDallas Investments, LP
Todd Murrah
3333 W CAMP WISDOM RD STE 106
DALLAS, TX 75237-2553
(972) 296-9464

Wingstop # 0008 - TX-Dallas-Trinity Mills
J. Hoing, LLC
Joe Hoing
3355 TRINITY MILLS RD STE 200
DALLAS, TX 75287-6276
(972) 306-9464

Wingstop # 0009 - TX-Dallas-Ross Ave
CMRG-4 Investments, LP
Todd Murrah
5334 ROSS AVE STE 600
DALLAS, TX 75206-7462
(214) 821-9464

Wingstop # 0013 - TX-Dallas-Wynnewood
CMRG-SDallas Investments, LP
Todd Murrah
1075 WYNNEWOOD VILLAGE SHP CTR
DALLAS, TX 75224-1858
(214) 946-9464

Wingstop # 0027 - TX-Dallas-Lemmon
MAC Wings of Texas, L.P.
Marciela Heckelman
4411 LEMMON AVE STE 100
DALLAS, TX 75219-2162
(214) 219-9464

Wingstop # 0034 - TX-Dallas-Forest Ln
CMRG-2 Investments, LP
Todd Murrah
3128 FOREST LN STE 251
DALLAS, TX 75234-7764
(972) 243-9464

Wingstop # 0074 - TX-Dallas-E Ledbetter
Agola, LLC
Kerry Parker
2207 E LEDBETTER DR
DALLAS, TX 75216-7407
(214) 374-9464

Wingstop # 0215 - TX-Dallas-Jefferson
Binvendios Wings, L.P.
Clarissa Norcross
2627 W JEFFERSON BLVD STE 214
DALLAS, TX 75211-2685
(214) 943-5600

Wingstop # 0232 - TX-Dallas-Lombardy Ln
CMRG-3 Investments LP
Todd Murrah
3400 LOMBARDY LN STE 107
DALLAS, TX 75220-3315
(214) 654-9464

Wingstop # 0306 - TX-Dallas-Central
TriC Wings, L.L.C.
Clarissa Norcross
10910 N CENTRAL EXPY
DALLAS, TX 75231-1006
(214) 373-9464

Wingstop # 0391 - TX-Dallas-DFW Turnpike
Nine Zero Wings, L.L.C.
Carol Ellis
4351 DFW TPKE STE 110
DALLAS, TX 75211-1304
(214) 634-9464

Wingstop # 0398 - TX-Dallas-Montfort
Wings By Metten, Ltd.
Todd Metten
15212 MONTFORT RD STE 314
DALLAS, TX 75248-6456
(972) 239-9464

Wingstop # 0564 - TX-Dallas-Preston Rd.
Wings By Metten, Ltd.
Todd Metten
13536 PRESTON RD STE 110
DALLAS, TX 75240-5227
(972) 458-9464

Wingstop # 0482 - TX-Deer Park
Mora Brothers, LLC
Guillermo "Willie" Mora
3709 CENTER ST
DEER PARK, TX 77536-6576
(281) 479-9464

Wingstop # 0029 - TX-Denton
Wing-go, LLP
Patrick (Pat) M. Bergin, Jr.
2430 S INTERSTATE 35 E STE 100
DENTON, TX 76205-4943
(940) 483-9464

Wingstop # 0538 - TX-Denton-Hwy 380
Westbound Enterprises, Inc.
Patrick (Pat) M. Bergin, Jr.
2710 W UNIVERSITY DR STE 1012
DENTON, TX 76201-1604
(940) 566-0007

Wingstop # 0534 - TX-DeSoto-Pleasant Run
5 G.R.R Desoto, Inc.
Calvin Golden
209 E PLEASANT RUN RD
DESOTO, TX 75115-3939
(972) 274-2727

Wingstop # 0532 - TX-Eagle Pass
Hypolite Enterprises, inc.
Curley Hypolite
404 S TEXAS DR
EAGLE PASS, TX 78852-5612
(830) 773-4300

Wingstop # 0318 - TX-Edinburg
Edinburg Wings, LLC
Johnny Collins
2405 W UNIVERSITY DR STE D
EDINBURG, TX 78539-2817
(956) 287-9464

Wingstop # 0439 - TX-Edinburg-McColl
Gabriella's Heavenly Wings VII, L.L.C.
John Ortiz
4029 S MCCOLL RD
EDINBURG, TX 78539-8385
(956) 668-9464

Wingstop # 0073 - TX-El Paso-Viscount
Norcross & Reeves Enterprises, LP
Ronnie Norcross
9530 VISCOUNT BLVD STE 2K
EL PASO, TX 79925-7000
(915) 593-9464

Wingstop # 0102 - TX-El Paso-George Dieter
Norcross & Reeves Enterprises, LP
Ronnie Norcross
1757 GEORGE DIETER DR STE 122
EL PASO, TX 79936-4947
(915) 598-9464

Wingstop # 170 - TX-El Paso-Resler
Norcross & Reeves Enterprises, LP
Ronnie Norcross
865 N RESLER DR STE H
EL PASO, TX 79912-7013
(915) 584-9464

Wingstop # 0248 - TX-El Paso-Mesa
Norcross & Reeves Enterprises, LP
Ronnie Norcross
2900 N MESA ST STE J
EL PASO, TX 79902-2533
(915) 546-9004

Wingstop # 0445 - TX-El Paso-Dyer
Roker Wings, Inc.
Ronnie Norcross
9008 DYER ST STE C
EL PASO, TX 79904-1489
(915) 759-9464

Wingstop # 0446 - TX-El Paso-North Loop
Roker Wings, Inc.
Ronnie Norcross
8825 NORTH LOOP DR STE 131
EL PASO, TX 79907-4606
(915) 858-0016

Wingstop # 0015 - TX-Eules
Jamn, Inc.
Jim Northcutt
1060 N MAIN ST STE 101B
EULESS, TX 76039-3366
(817) 571-0700

Wingstop # 0223 - TX-Flower Mound
Triple 'N' Wings LLC
Nick Lalani
2608 FLOWER MOUND RD
FLOWER MOUND, TX 75028-4237
(972) 874-8444

Wingstop # 0525 - TX-Forest Hill
Forest Hills Wings, LLC
Steve Milam
6734 Forest Hill Drive
Forest Hill, TX 76140
(817) 293-1919

Wingstop # 0329 - TX-Forney
Reeves & Norcross Properties, L.P.
Kenneth (Donnie) Reeves
1012 E HWY 80 STE 100
FORNEY, TX 75126-6370
(972) 564-6600

Wingstop # 0004 - TX-Fort Worth-Bryant Irvin
City View Wings, LP
John Reed
4608 BRYANT IRVIN RD STE 414
FORT WORTH, TX 76132-3642
(817) 263-5800

Wingstop # 0028 - TX-Fort Worth-McCart
McCart, LP
Steve Milam
7420 MCCART AVE STE 108
FORT WORTH, TX 76133-7271
(817) 294-9464

Wingstop # 0298 - TX-Fort Worth-Camp Bowie
Villamar Restaurants #4, Inc.
Richard Villamar
6208 CAMP BOWIE
FORT WORTH, TX 76116-5525
(817) 763-9464

Wingstop # 0344 - TX-Fort Worth-8th Ave
8th Avenue Wings, L.P.
Tommy Hicks II
2723 8TH AVE
FORT WORTH, TX 76110 - 3041
(817) 924-6161

Wingstop # 0491 - TX-Ft. Worth-Clifford
Center Dr.
Clifford Wings, Inc.
John Reed
301 CLIFFORD CENTER DR STE 101
FORT WORTH, TX 76108-4444
(817) 246-9464

Wingstop # 0222 - TX-Friendswood-FM 528
MCME, LLC
Rahul Agrawal
3141 FM 528 RD STE 334
FRIENDSWOOD, TX 77546-8937
(281) 554-8877

Wingstop # 0449 - TX-Galveston
DEVPHOY ENTERPRISES, LLC
Devon Foy
6202 BROADWAY ST STE B
GALVESTON, TX 77551-1098
(409) 740-9464

Wingstop # 0003 - TX-Garland-Buckingham
CMRG Investments, LP
Todd Murrah
2334 W BUCKINGHAM RD STE 330
GARLAND, TX 75042-3941
(972) 494-4884

Wingstop # 0095 - TX-Garland-Broadway
R3C Norcross, LP
Ronnie Norcross
5949 BROADWAY BLVD STE 145
GARLAND, TX 75043-3847
(972) 303-5885

Wingstop # 0378 - TX-Georgetown
KVKE Wings, L.L.C.
Kimvan Tran
1013 W UNIVERSITY AVE STE 112
GEORGETOWN, TX 78628-5340
(512) 863-8181

Wingstop # 0019 - TX-Grand Prairie-S Carrier
Kindle-Ellis Investments, Inc.
Carol Ellis
4116 S CARRIER PKWY STE 100
GRAND PRAIRIE, TX 75052-3245
(972) 266-8600

Wingstop # 0214 - TX-Grand Prairie-Pioneer
Pkwy
Kindle-Ellis Investments, Inc.
Carol Ellis
419 E PIONEER PKWY
GRAND PRAIRIE, TX 75051-4944
(972) 264-9464

Wingstop # 0339 - TX-Harlingen-Sunshine Strip
Wings By The Border III, Inc.
Raul Torres
2230 S 77 SUNSHINE STRIP STE 202
HARLINGEN, TX 78550 - 8334
(956) 428-9464

Wingstop # 0413 - TX-Harlingen-Harrison
Wings By The Boarder IV, Inc.
Raul Torres
1729 W HARRISON AVE STE B
HARLINGEN, TX 78550-5921
(956) 440-9464

Wingstop # 0001 - TX-Highland Village
J-P GoWing On, Inc.
Pam McWhorter
2230 FM 407 STE 290
HIGHLAND VILLAGE, TX 75077-7181
(972) 966-0199

Wingstop # 0014 - TX-Houston-Kirkwood
Gawthorp Investments, LP
Brandon Gawthorp
2319 S KIRKWOOD RD
HOUSTON, TX 77077-6505
(281) 679-9464

Wingstop # 0030 - TX-Houston-Woodforest
Beaver Wings 2, LLC
Todd Beaver
12620 WOODFOREST BLVD STE 470
HOUSTON, TX 77015-3570
(713) 453-5200

Wingstop # 0042 - TX-Houston-Veterans
Memorial
Top Wing, Inc.
Gennifer Davis
12100 VETERANS MEMORIAL DR STE F
HOUSTON, TX 77067-1126
(281) 440-9464

Wingstop # 0044 - TX-Houston-Hwy 6
Mewingmo, Ltd.
Carol Porter
9210 HIGHWAY 6 S STE F
HOUSTON, TX 77083-6385
(832) 328-3737

Wingstop # 0052 - TX-Houston-Antoine
T & K Seafood and Wing LLC
Thomas Tran
7332 ANTOINE DR
HOUSTON, TX 77088-7230
(281) 820-5000

Wingstop # 0053 - TX-Houston-Little York
Speedy Wings Enterprises, L.P.
Brandon Gawthorp
6164 HIGHWAY 6 N
HOUSTON, TX 77084-1304
(281) 550-1600

Wingstop # 0056 - TX-Houston-Fuqua
HTL Enterprises, Inc.
Henry Van
11009 FUQUA ST
HOUSTON, TX 77089-2510
(713) 946-9464

Wingstop # 0058 - TX-Houston-Broadway
WB Wings, Ltd.
Guillermo "Willie" Mora
8326 BROADWAY ST
HOUSTON, TX 77061-1802
(713) 847-9464

Wingstop # 0060 - TX-Houston-Wilcrest
A2K Company, Inc.
Ann Nguyen
11926 WILCREST DR
HOUSTON, TX 77031-1922
(281) 530-9464

Wingstop # 0091 - TX-Houston-FM 1960
Richie NP, LLC
Phat-Chau Nguyen
376 FM 1960 RD W STE K
HOUSTON, TX 77090-3507
(281) 209-9464

Wingstop # 0114 - TX-Houston-Wirt
DMY Investment Corp.
Vuong Vu
1425 WIRT RD
HOUSTON, TX 77055-4916
(713) 464-9464

Wingstop # 0128 - TX-Houston-Jones
Buffwings Enterprises, Inc.
Khoa Ngo
9804 JONES RD STE A
HOUSTON, TX 77065-5277
(281) 477-9464

Wingstop # 0152 - TX-Houston-Westheimer
Volando, Ltd.
Carol Porter
6447 WESTHEIMER RD
HOUSTON, TX 77057-5105
(713) 266-9464

Wingstop # 0153 - TX-Houston-Beechnut at
Beltway 8
A3K Company, LLC
Ann Nguyen
10100 BEECHNUT ST STE 180
HOUSTON, TX 77072-5042
(281) 564-9464

Wingstop # 0158 - TX-Houston-Hwy 249
DMY ONE, L.L.C
Vuong Vu
12430 STATE HIGHWAY 249 STE B
HOUSTON, TX 77086-3339
(281) 820-9464

Wingstop # 0174 - TX-Houston-Post Oak
MCME, LLC
Rahul Agrawal
10273 S POST OAK RD
HOUSTON, TX 77096-4306
(713) 551-9464

Wingstop # 0177 - TX-Houston-Bay Area Blvd
Beaver Wings 1, LLC
Todd Beaver
2410 BAY AREA BLVD
HOUSTON, TX 77058-1520
(281) 280-9464

Wingstop # 0202 - TX-Houston-Gulfgate
Primera Investments, LLC
Guillermo "Willie" Mora
712 GULFGATE CENTER MALL
HOUSTON, TX 77087-3026
(713) 643-9464

Wingstop # 0231 - TX-Houston-West Oaks
HLT Family, L.L.C.
Henry Van
2412B HIGHWAY 6 S
HOUSTON, TX 77077-5232
(281) 589-9464

Wingstop # 0234 - TX-Houston-Harrisburg
MCME, LLC
Rahul Agrawal
6858 HARRISBURG BLVD
HOUSTON, TX 77011-4626
(713) 926-9464

Wingstop # 0250 - TX-Houston-Beechnut at
Hillcroft
KMC Wings Enterprises, LLC
Khoa Ngo
5621 BEECHNUT ST STE A
HOUSTON, TX 77096-1021
(713) 777-9464

Wingstop # 0252 - TX-Houston-Tomball Pkwy
Mylanwings Enterprises LLC
Khoa Ngo
19754 TOMBALL PKWY STE 4
HOUSTON, TX 77070-3102
(281) 897-9464

Wingstop # 0403 - TX-Houston-Dairy Ashford
H2TL Company, LLC
Henry Van
720 DAIRY ASHFORD DR, STE 200
HOUSTON, TX 77079-5308
(281) 596-9464

Wingstop # 0425 - TX-Houston-Main
MCME, LLC
Rahul Agrawal
8200 S MAIN ST STE 800
HOUSTON, TX 77025-2877
(713) 661-9464

Wingstop # 0483 - TX-Houston-Wallisville
MCME, LLC
Rahul Agrawal
15242 WALLISVILLE RD
HOUSTON, TX 77049-4627
(713) 455-9464

Wingstop # 0496 - TX-Houston-Richmond
DuPlantis Investments Richmond, LLC
Michael DuPlantis
4102 RICHMOND AVE STE A
HOUSTON, TX 77027-6820
(713) 877-9464

Wingstop # 0531 - TX-Houston-Blalock
DuPlantis Investments Blalock, LLC
Michael DuPlantis
1049 BLALOCK RD
Houston, TX 77055-7424
(713) 365-9464

Wingstop # 0568 - TX-Houston-Scott Street
GSR Restaurants, LLC
Rahul Agrawal
3750 SCOTT ST STE 100
HOUSTON, TX 77004
(713) 440-9464

Wingstop # 0353 - TX-Huntsville
The Flying Albatross, Inc.
Kelly Barsh
3011 HIGHWAY 30 W STE 103B
HUNTSVILLE, TX 77340-3534
(936) 294-9464

Wingstop # 0104 - TX-Hurst
Jamn, Inc.
Jim Northcutt
420 GRAPEVINE HWY STE 101B
HURST, TX 76054-2745
(817) 485-9464

Wingstop # 0002 - TX-Irving-N MacArthur
Villamar Restaurants #2, Inc.
Richard Villamar
10009 N MACARTHUR BLVD STE 117
IRVING, TX 75063-5082
(972) 409-9464

Wingstop # 0012 - TX-Irving-Belt Line
CMRG-2 Investments, LP
Todd Murrah
2920 N BELT LINE RD
IRVING, TX 75062-5247
(972) 871-7081

Wingstop # 0575 - TX-Irving-East Irving Blvd
Villamar Restaurants #5, Inc.
Richard Villamar
963 E IRVING BLVD
IRVING, TX 75060-3151
(972) 554-9464

Wingstop # 0255 - TX-Katy-Mason Rd
Fiaschetti Enterprises L.P.
Brandon Gawthorp
1830 S MASON RD STE 140
KATY, TX 77450-6148
(281) 392-1700

Wingstop # 0478 - TX-Katy-N Fwy
Gawthorp Developments LLC
Brandon Gawthorp
5502 N FRY RD STE F
KATY, TX 77449-5746
(832) 593-9464

Wingstop # 0544 - TX-Kemah-FM 518
Southeast Food Partners of Kemah, L.L.C.
Varguhese Kuruvilla
212 FM 518 RD #110
KEMAH, TX 77565-2557
(281) 538-5800

Wingstop # 0011 - TX-Killeen
J Wings, Inc.
Jeff Orlando
902 W CENTRAL TEXAS EXPY STE E
KILLEEN, TX 76541-2566
(254) 501-3278

Wingstop # 0361 - TX-Kingsville
JM Lozano Enterprises, L.L.C.
Jose (JM) Lozano
1310 GENERAL CAVAZOS BLVD STE G
KINGSVILLE, TX 78363-7147
(361) 592-9464

Wingstop # 0499 - TX-La Marque
MCME, LLC
Rahul Agrawal
6402 INTERSTATE 45 STE G
LA MARQUE, TX 77568-3094
(409) 986-1000

Wingstop # 0498 - TX-Lake Jackson
Noel Silva & Associates, LLC
Noel Silva
401 THIS WAY ST UNIT C
LAKE JACKSON, TX 77566-5140
(979) 480-9464

Wingstop # 0072 - TX-Lake Worth
Villamar Restaruants #3, Inc.
Richard Villamar
6338 LAKE WORTH BLVD
LAKE WORTH, TX 76135-3602
(817) 237-2535

Wingstop # 0150 - TX-Laredo-San Dario
Laredo Wings, Inc.
Ray Morales
7309 SAN DARIO AVE STE 150
LAREDO, TX 78045-7319
(956) 753-9464

Wingstop # 0322 - TX-Laredo-Hwy 83
Laredo Wings II, Inc.
Ray Morales
4415 US HWY 83
LAREDO, TX 78046
(956) 796-9464

Wingstop # 0484 - TX-League City
Southeast Food Partners, LLC
Varughese Kuruvilla
3010 S GULF FWY STE N
LEAGUE CITY, TX 77573
(281) 534-2000

Wingstop # 0032 - TX-Lewisville-Hwy 121
J-P GoWing On, Inc.
Pam McWhorter
2305 S STATE HIGHWAY 121
LEWISVILLE, TX 75067-8131
(972) 459-7100

Wingstop # 0119 - TX-Longview-Northwest
MWJ Enterprises, Inc.
Jeff Worthen
1723 W LOOP 281
LONGVIEW, TX 75604-2734
(903) 291-9464

Wingstop # 0475 - TX-Longview-Loop 281
MWJ Enterprises, Inc.
Jeff Worthen
518 E LOOP 281
LONGVIEW, TX 75605-5000
(903) 753-9464

Wingstop # 0063 - TX-Lubbock-Slide
Hermann Kelly, Inc.
Nathan Cage
6807 SLIDE RD STE G
LUBBOCK, TX 79424-1529
(806) 798-3226

Wingstop # 0274 - TX-Lubbock-Loop 289
HK-Lubbock 3, LLC
Nathan Cage
5510 4TH ST STE 220
LUBBOCK, TX 79416-4220
(806) 788-1310

Wingstop # 0341 - TX-Lubbock-7th St
HK-Lubbock 3, LLC
Nathan Cage
1803 7TH ST STE 501
LUBBOCK, TX 79401-2324
(806) 744-7675

Wingstop # 0201 - TX-Lufkin
MWJ Enterprises, Inc.
Jeff Worthen
4505 S MEDFORD DR
LUFKIN, TX 75901-5661
(936) 639-9464

Wingstop # 0203 - TX-Mansfield
Mansfield Wings, LP
Tommy Hicks II
2881 MATLOCK AVENUE STE 103
MANSFIELD, TX 76063-7805
(817) 453-0900

Wingstop # 0089 - TX-McAllen-N 10th St
South of the Border Wings, Inc.
Johnny Collins
2901 N 10TH ST STE D
MCALLEN, TX 78501-1947
(956) 683-8888

Wingstop # 0357 - TX-McAllen-E Expway 83
Gabriela's Heavenly Wings, L.L.C.
John Ortiz
1308 E EXPRESSWAY 83
MCALLEN, TX 78503-1604
(956) 971-0220

Wingstop # 0168 - TX-McKinney-Eldorado
Wings By Metten, Ltd.
Todd Metten
4550 W ELDORADO PKWY STE 105
MCKINNEY, TX 75070-2507
(972) 548-1800

Wingstop # 0345 - TX-McKinney-Central
Wings-B-Gone Properties, Inc.
Ronnie Norcross
1681 N CENTRAL EXPY STE 100
MCKINNEY, TX 75070-3111
(469) 952-3555

Wingstop # 0066 - TX-Mesquite-Town East
GL Wings, Inc.
Patrick Langan
1645 N TOWN EAST BLVD STE 184
MESQUITE, TX 75150-4146
(972) 686-5800

Wingstop # 0140 - TX-Mesquite-Cartwright
Box Wings, LP
Rex Heckelman
701 E CARTWRIGHT RD STE 121
MESQUITE, TX 75149-5716
(972) 216-1700

Wingstop # 0211 - TX-Midland
Winged Out LLC
Dora Braun
3323 N MIDLAND DR STE 105
MIDLAND, TX 79707-4631
(432) 694-9464

Wingstop # 0251 - TX-Mission-Expressway 83
South of the Border Wings II, Inc.
Johnny Collins
2310 E EXPRESSWAY 83 STE 4
MISSION, TX 78572-2104
(956) 583-9464

Wingstop # 0372 - TX-Mission-Griffin Pkwy
Gabriela's Heavenly Wings II, L.L.C.
John Ortiz
301 W GRIFFIN PKWY STE 6
MISSION, TX 78572-2913
(956) 585-9464

Wingstop # 0307 - TX-Missouri City
A2K Company, Inc.
Ann Nguyen
7260 HIGHWAY 6 STE 500
MISSOURI CITY, TX 77459-4157
(281) 261-2300

Wingstop # 0501 - TX-Missouri City
A2K Company, Inc.
Ann Nguyen
2240 TEXAS PKWY STE 100
MISSOURI CITY, TX 77489-4008
(281) 403-9464

Wingstop # 0362 - TX-Nacogdoches
Sekots, L.L.C.
Cassandra Stokes
4909 NORTH ST STE 206
NACOGDOCHES, TX 75965-1808
(936) 552-7867

Wingstop # 0576 - TX-New Braunfels-Walnut
New Braunfels Wings, LLC
Ray Morales
606 S WALNUT AVE STE 130
NEW BRAUNFELS, TX 78130-5770
(830) 608-9464

Wingstop # 0333 - TX-North Richland Hills
NRH Wings, LP
Patrick Frederick
5142 RUFÉ SNOW DRIVE STE 119
NORTH RICHLAND HILLS, TX 76180-6642
(817) 581-4800

Wingstop # 0062 - TX-Odessa
RW Wings, LP
Riley Williams
4925 E 42ND ST STE C
ODESSA, TX 79762-7241
(432) 367-9464

Wingstop # 0054 - TX-Pasadena-Spencer
Beaver Wings 1, LLC
Todd Beaver
3560 SPENCER HWY
PASADENA, TX 77504-1110
(713) 941-9464

Wingstop # 0071 - TX-Pasadena-Southmore
Beaver Wings 1, LLC
Todd Beaver
114B W SOUTHMORE AVE
PASADENA, TX 77502-1002
(713) 472-9464

Wingstop # 0169 - TX-Pearland-Broadway
MCME, LLC
Rahul Agrawal
8321 BROADWAY ST STE 104
PEARLAND, TX 77581-5770
(281) 412-7330

Wingstop # 0555 - TX-Pearland-Shadow Creek
Parkway
GSR Restaurants, LLC
Rahul Agrawal
11037 SHADOW CREEK PKWY STE 109
PEARLAND, TX 77584-7407
(713) 436-9808

Wingstop # 0541 - TX-Pharr-Cage Blvd
Gabriela's Heavenly Wings VIII, LLC
John Ortiz
2211 S CAGE BLVD STE 105 & 106
PHARR, TX 78577-6850
(956) 781-6444

Wingstop # 0138 - TX-Plano-Custer
Wings By Metten, Ltd.
Todd Metten
2929 CUSTER RD STE 325
PLANO, TX 75075-4438
(469) 241-9464

Wingstop # 0224 - TX-Plano-14th
Wings By Metten, Ltd.
Todd Metten
2100 14TH ST STE 119
PLANO, TX 75074-6453
(972) 633-2525

Wingstop # 0242 - TX-Plano-Dallas Pkwy
Wings By Metten, Ltd.
Todd Metten
3309 DALLAS PKWY STE 499
PLANO, TX 75093-6414
(972) 378-9464

Wingstop # 0442 - TX-Port Isabel
Gabriela's Heavenly Wings VI, LLC
John Ortiz
1401 HIGHWAY 100
PORT ISABEL, TX 78578-2480
(956) 943-9464

Wingstop # 0547 - TX-Rio Grande City-US
Hwy 83
Gabriela's Heavenly Wings IX, LLC
John Ortiz
4570 E HIGHWAY 83 STE 8
RIO GRANDE CITY, TX 78582-6573
(956) 488-2999

Wingstop # 0288 - TX-Rockwall
VPR Wings, LP
Rex Heckelman
2455 RIDGE ROAD
ROCKWALL, TX 75087-5529
(972) 771-5225

Wingstop # 0440 - TX-Rosenberg
GSR Restaurants, LLC
Rahul Agrawal
24601 SOUTHWEST FWY STE 700
ROSENBERG, TX 77471
(832) 595-3240

Wingstop # 0462 - TX-Round Rock-E. Palm
Valley
CNJ Austin Wings III, Inc.
Charles Loflin
1700 E PALM VALLEY BLVD STE 440
ROUND ROCK, TX 78664-4687
(512) 733-9444

Wingstop # 0340 - TX-Rowlett
Flyboys, LP
Rex Heckelman
5701 LIBERTY GROVE RD STE 100
ROWLETT, TX 75089-3627
(972) 475-2700

Wingstop # 0210 - TX-Sachse
Wings By Metten, Ltd.
Todd Metten
5250 HIGHWAY 78 STE 800
SACHSE, TX 75048-4253
(972) 675-9464

Wingstop # 0268 - TX-San Angelo-
Knickerbocker Rd
San Angelo Wingpartners LP
Gary Shultz
3556 KNICKERBOCKER RD
SAN ANGELO, TX 76904-7611
(325) 227-6777

Wingstop # 0006 - TX-San Antonio-Embassy
Oaks
CNL Wings, Inc.
Charles Loflin
502 EMBASSY OAKS STE 126
SAN ANTONIO, TX 78216-2070
(210) 499-4647

Wingstop # 0023 - TX-San Antonio-Walzem
CNL Wings II, Inc.
Charles Loflin
5410 WALZEM RD
SAN ANTONIO, TX 78218-2125
(210) 656-9464

Wingstop # 0038 - TX-San Antonio-
Fredericksburg
CNL Wings III, Inc.
Charles Loflin
7959 FREDERICKSBURG RD STE 151
SAN ANTONIO, TX 78229-3432
(210) 614-6300

Wingstop # 0040 - TX-San Antonio-Bandera
Nauls Development Company
Lela Nauls
8425 BANDERA RD STE 156-2
SAN ANTONIO, TX 78250-2576
(210) 681-9464

Wingstop # 0139 - TX-San Antonio-SW
Military
CNL Wings IV, Inc.
Charles Loflin
1322 SW MILITARY DR
SAN ANTONIO, TX 78221-1537
(210) 932-9464

Wingstop # 0176 - TX-San Antonio-Rigsby
CNL Wings VI, Inc.
Charles Loflin
2000 SE LOOP 410 STE 129
SAN ANTONIO, TX 78220-4933
(210) 648-9922

Wingstop # 0197 - TX-San Antonio-West Ave
CNL Wings VII, Inc.
Charles Loflin
2911 WEST AVE
SAN ANTONIO, TX 78201-2243
(210) 341-4000

Wingstop # 0254 - TX-San Antonio-Goliad Rd
CNL Wings VIII, Inc.
Charles Loflin
2902 GOLIAD RD STE 125
SAN ANTONIO, TX 78223-3973
(210) 359-7700

Wingstop # 0319 - TX-San Antonio-De Zavala
CNL Wings XIII, Inc.
Charles Loflin
5222 DE ZAVALA RD
SAN ANTONIO, TX 78249-1772
(210) 697-9464

Wingstop # 0380 - TX-San Antonio-Loop 1604
at Potranco
CNL Wings IX, Inc.
Charles Loflin
430 W LOOP 1604 N STE 106
SAN ANTONIO, TX 78251-3343
(210) 523-5200

Wingstop # 0395 - TX-San Antonio-Loop 1604
at Culebra
Nauls Development Company
Lela Nauls
5630 W LOOP 1604 N STE 112
SAN ANTONIO, TX 78251-3804
(210) 682-9464

Wingstop # 0428 - TX-San Antonio-Hwy. 151
CNL Wings X, Inc.
Charles Loflin
8603 STATE HIGHWAY 151 STE 104
SAN ANTONIO, TX 78245-2484
(210) 767-9464

Wingstop # 0461 - TX-San Antonio-Zarzamora
CNL Wings XIV, Inc.
Charles Loflin
6998 S ZARZAMORA ST
SAN ANTONIO, TX 78224-1138
(210) 927-9464

Wingstop # 0470 - TX-San Antonio-Austin
Highway
CNL Wings XV, Inc.
Charles Loflin
1464 AUSTIN HWY STE 103
SAN ANTONIO, TX 78209-4454
(210) 828-9464

Wingstop # 0474 - TX-San Antonio-Commerce
CNL Wings XII, Inc.
Charles Loflin
4622 W COMMERCE ST STE 102
SAN ANTONIO, TX 78237
(210) 432-9464

Wingstop # 0562 - TX-San Benito-Highway 77
Gabriela's Heavenly Wings X, LLC
John Ortiz
1141 W HIGHWAY 77 STE D
SAN BENITO, TX 78586-4376
(956) 361-5500

Wingstop # 0236 - TX-San Marcos
San Marcos Wings, Inc.
Charles Loflin
913 HIGHWAY 80
SAN MARCOS, TX 78666-8115
(512) 392-9464

Wingstop # 0415 - TX-Schertz
CNL Wings XI, Inc.
Charles Loflin
6044 FM 3009 STE 280
SCHERTZ, TX 78154-3236
(210) 599-9464

Wingstop # 0441 - TX-Seguin
GSR Restaurants, LLC
Rahul Agrawal
1465 E COURT ST
SEGUIN, TX 78155-5160
(830) 379-7400

Wingstop # 0571 - TX-South Padre Island-Padre
Blvd
Gabriela's Heavenly Wings VI, LLC
John Ortiz
3900 PADRE BLVD STE A
SOUTH PADRE ISLAND, TX 78597-7247
(956) 761-1300

Wingstop # 0086 - TX-Spring
Natasha NP, L.L.C.
Phat-Chau Nguyen
18426 KUYKENDAHL RD
SPRING, TX 77379-8123
(281) 288-7867

Wingstop # 0356 - TX-Stephenville
Stephenville Wings, L.L.C.
Annette Littlejohn
2811 W WASHINGTON ST
STEPHENVILLE, TX 76401 - 3706
(254) 918-2100

Wingstop # 0207 - TX-Sugar Land
A3K Company, LLC
Ann Nguyen
16525 LEXINGTON BLVD STE 120
SUGAR LAND, TX 77479-2577
(281) 565-9464

Wingstop # 0253 - TX-Temple
GSR Restaurants, LLC
Rahul Agrawal
3024 S 31ST ST
TEMPLE, TX 76502-1802
(254) 773-9565

Wingstop # 0093 - TX-Texarkana-State Line
Wings In T Town, LP
Douglas Sloan
4501 N STATE LINE AVE STE 106
TEXARKANA, TX 75503-2999
(903) 792-9464

Wingstop # 0466 - TX-Texarkana-Richmond
Tex-Ark Wings, Inc.
Douglas Sloan
2700 RICHMOND RD STE 14 A-1
TEXARKANA, TX 75503-5203
(903) 255-0090

Wingstop # 0165 - TX-The Colony
Main Street Wings, Inc.
Jack Burr
4300 MAIN ST STE 200
THE COLONY, TX 75056-2842
(972) 370-0623

Wingstop # 0200 - TX-The Woodlands-
Woodland Pkwy
Goldeneggs Wings Enterprises, LLC
Amy Tran
6777 WOODLANDS PKWY STE 324
THE WOODLANDS, TX 77382-2784
(281) 419-3003

Wingstop # 0371 - TX-The Woodlands-Sawdust
MCME, LLC
Rahul Agrawal
510 SAWDUST RD STE 201
THE WOODLANDS, TX 77380-2205
(281) 363-9464

Wingstop # 0033 - TX-Tyler-SE Loop 323
G M Hicks Enterprises, Inc.
Jeff Worthen
1918 E SOUTHEAST LOOP 323
TYLER, TX 75701-8337
(903) 526-9464

Wingstop # 0374 - TX-Tyler-SW Loop 323
G M Hicks Enterprises, Inc.
Jeff Worthen
400 S SOUTHWEST LOOP 323 STE 100
TYLER, TX 75702 - 6532
(903) 531-9464

Wingstop # 0558 - TX-Tyler-Broadway
G.M. Hicks Enterprises, Inc.
Jeff Worthen
7496 S BROADWAY AVE
TYLER, TX 75703
(903) 534-2999

Wingstop # 0098 - TX-Universal City
CNL Wings V, Inc.
Charles Loflin
2921 PAT BOOKER RD STE 116
UNIVERSAL CITY, TX 78148-2758
(210) 945-4400

Wingstop # 0262 - TX-Victoria
Victoria Wings, Inc.
Michael Hinojosa
5208 N NAVARRO ST
VICTORIA, TX 77904-1703
(361) 576-9464

Wingstop # 0022 - TX-Waco-S 2nd St
GSR Restaurants, LLC
Rahul Agrawal
220 S 2ND ST STE 2
WACO, TX 76701-2213
(254) 296-9464

Wingstop # 0077 - TX-Waco-New Rd
GSR Restaurants, LLC
Rahul Agrawal
111 S NEW RD
WACO, TX 76710-6984
(254) 761-9464

Wingstop # 0502 - TX-Waco-Hewitt
GSR Restaurants, LLC
Rahul Agrawal
1201 HEWITT DR STE 211A
WACO, TX 76712-8834
(254) 666-9440

Wingstop # 0051 - TX-Watauga
#1 Wingpartners LLC
Gary Shultz
8436 DENTON HWY STE 203
WATAUGA, TX 76148-2461
(817) 605-9464

Wingstop # 0245 - TX-Waxahachie
Reeves & Norcross Properties, L.P.
Kenneth (Donnie) Reeves
1440 N HIGHWAY 77 STE 13
WAXAHACHIE, TX 75165-7847
(972) 923-9505

Wingstop # 0476 - TX-Weatherford
GB Wings, LLC
Annette Littlejohn
1930 S MAIN ST
WEATHERFORD, TX 76086-5508
(817) 594-0808

Wingstop # 0261 - TX-Weslaco
Gabriela's Heavenly Wings XI, LLC
John Ortiz
1504 W EXPRESSWAY 83
WESLACO, TX 78596-4397
(956) 969-0200

Wingstop # 0123 - TX-Wichita Falls
Wichita Wings GP, Inc.
Daniel Nicholson
2918 KEMP BLVD
WICHITA FALLS, TX 76308-1017
(940) 322-9464

VIRGINIA

Wingstop # 0075 - VA-Alexandria
VinBa Corp.
Kevin Lowry
8723 COOPER RD STE C
ALEXANDRIA, VA 22309-3906
(703) 778-9464

WASHINGTON

Wingstop # 0556 - WA-Pasco-Burden Blvd
BLT Wings, LLC
Dave Tuthill
6605 BURDEN BLVD STE F
PASCO, WA 99301-
(509) 545-9464

Wingstop # 0489 - WA-Richland
BLT Holdings, Inc.
Dave Tuthill
121 GAGE BLVD #A-1
RICHLAND, WA 99352-8901
(509) 737-9464

WISCONSIN

Wingstop # 0487 - WI-Kenosha
Van Aken & Associates, Inc.
Chris Van Aken
5901 75TH ST., STE. 150
KENOSHA, WI 53142-3636
(262) 697-8900

Wingstop # 0582 - WI-Madison-Regent Street
Badger Wings, LLC
Vincent Romano
1234 REGENT ST
MADISON, WI 53715-1264
(608) 258-9464

Wingstop # 0589 - WI-West Milwaukee-S
Miller Pkwy
Wisconsin Wings, Inc.
Kurt Hodermann
2086 S MILLER PKWY
WEST MILWAUKEE, WI 53219-5002
(414) 649-9464

**LIST OF FRANCHISEES WHO HAVE SIGNED
FRANCHISE AGREEMENTS BUT RESTAURANTS ARE NOT OPEN**

Effective as of December 31, 2011

CALIFORNIA

Wingstop # 0598 - CA-Citrus Heights-
Greenback Ln
Wing Dhaba, Inc.
Bikram Randhawa
7947 GREENBACK LN
CITRUS HEIGHTS, CA 95610-6907
(510) 367-3259

Wingstop # 0521 - CA-Los Angeles-3286 W.
Slauson
D & D Restaurants, Inc.
Donald Beverly
3286 W SLAUSON AVE
LOS ANGELES, CA 90043-2564
(562) 412-9777

Wingstop # 0563 - CA-Los Angeles
WSFOUR-55, Inc.
Willie McGinest
LOS ANGELES
LOS ANGELES, CA
(310) 589-9944

Wingstop # 0600 - CA-Martinez-Arnold Dr
Brocca, Inc.
Don Brocca
1029 ARNOLD DR STE 10
MARTINEZ, CA 94553-6840
(925) 858-7330

Wingstop # 0602 - CA-National City-Highland
By The Border Wings, Inc.
Woody DeMayo
932 HIGHLAND AVE
NATIONAL CITY, CA 91950-3514
650-947-9970

Wingstop # 0605 - CA-Northridge-Reseda Blvd
Laco-Wing, LLC
Robin Kirksey
9043 RESEDA BLVD
NORTHRIDGE, CA 91324-3919
310-641-5888

Wingstop # 0597 - CA-Oakland-Lake Park Ave
E.L. Toliver, Inc.
Emon Toliver
528 LAKE PARK AVE
OAKLAND, CA 94610-2732
(510) 760-8838

Wingstop # 0591 - CA-San Diego-University
M & N Lincoln Wings, LLC
Nicole Drake
4403 UNIVERSTIY AVE STE 400
SAN DIEGO, CA 92105-1711
(562) 688-8806

Wingstop # 0603 - CA-San Diego-El Cajon
Blackstone Venture Group, Inc.
Jose Valencia
1901 EL CAJON BLVD
SAN DIEGO, CA 92104-1004
760-289-6277

Wingstop # 0585 - CA-Visalia-Mooney Blvd
Right Swing, Inc.
Jason Khan
2038 S MOONEY BLVD UNIT M3
VISALIA, CA 93277-6251
209-602-4512

FLORIDA

Wingstop # 0581 - FL-Hialeah-186th St
Wing Partners 6408, LLC
Tina Howell
6408 NW 186TH ST
HIALEAH, FL 33015-6006
786-229-6990

ILLINOIS

Wingstop # 0587 - IL-Chicago-Archer Ave
Five Points Wings, LLC
Patrick Madden
6188 S ARCHER AVE
CHICAGO, IL 60638
708-415-2925

LOUISIANA

Wingstop # 0592 - LA-Lake Charles-Ryan St
GSR Restaurants, LLC
Rahul Agrawal
RYAN ST. & EDDY ST.
Lake Charles, LA 70601
(281) 565-9779

TEXAS

Wingstop # 0604 - TX-Brownsville-
International Blvd
Wings by the Border VI, Inc.
Raul Torres
755 INTERNATIONAL BLVD STE G
BROWNSVILLE, TX 78520
956-233-8687

Wingstop # 0567 - TX-Corpus Christi-Hwy 77
JM Lozano Enterprises, LLC
Jose (JM) Lozano
4101 US HIGHWAY 77 STE N3
CORPUS CHRISTI, TX 78410-4544
(361) 592-3948

Wingstop # 0590 - TX-Del Rio-Gibbs St.
Hypolite Enterprises, Inc.
Curley Hypolite
615 E GIBBS ST STE 200
DEL RIO, TX 78840-4653
(832) 492-3883

Wingstop # 0595 - TX-Houston-Aldine Mail Rd
TMD Wing Enterprises, Inc.
Thomas Tran
5228 ALDINE MAIL RD STE A
HOUSTON, TX 77039-3804
281-240-9710

Wingstop # 0596 - TX-Humble(Atascocita)-FM
1960 RD E
MCME, LLC
Rahul Agrawal
7611 FM 1960 RD E
HUMBLE, TX 77346-2209
281-565-9779

Wingstop # 0599 - TX-Irving-W Royal Ln
CMRG-LC Investments, LP
Todd Murrah
811 W ROYAL LN
IRVING, TX 75039-3816
972-529-9345

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

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

ALABAMA

Wingstop #457 - AL-Valley
Mark Powers
Lanett, AL
(256) 690-8753
(transferred to another franchisee)

CALIFORNIA

Wingstop #348 - CA-Apple Valley
Monica Caraballo
Alta Loma, CA
(909) 989-1160
(Closed)

Wingstop #281 - CA-Chino Hills
Danilo Ragasa
Chino Hills, CA
(562) 505-8035
(Closed)

*Wingstop #505 - CA-Freedom
Charles Fowler
Los Altos Hills, CA
(650) 917-9030
(Closed; owns 4 Wingstop Restaurants)

Wingstop #409 - CA-Murieta
Tony Liu
Menifee, CA
(310) 849-5650
(franchise agreement terminated; restaurant never opened)

Wingstop #321 - CA-Moreno Valley-Alessandro
Ronald McFadden
Riverside, CA
(909) 841-8717
(Closed)

Wingstop #69 - CA-Stockton-West Ln
Nick Pena
Stockton, CA
(209) 477-8207
(transferred to another franchisee)

FLORIDA

Wingstop #269 - FL-Tampa-Dale Mabry Hwy
Randy Prince
Tampa, FL
(813) 282-1056
(Closed)

ILLINOIS

Wingstop #377 - IL-Saint Charles
Amandeep Bhasin
Carol Stream, IL
(630) 221-1268
(Closed)

LOUISIANA

Wingstop #107 - LA-Monroe-Sterlington Rd
Pam Renfrow
Monroe, LA
(318) 388-8824
(transferred to another franchisee)

*Event occurred during 2012

MISSISSIPPI

Wingstop #508 - MS-Vicksburg
Erica Moore
Conroe, TX
(601) 981-7242
(franchise agreement terminated; restaurant never opened)

MISSOURI

*Wingstop #97 - MO-Florissant
Brad Wilemon
Arlington, TX
(817) 467-0357
(transferred to another franchisee)

*Wingstop #120 - MO-Saint Louis
Brad Wilemon
Arlington, TX
(817) 467-0357
(transferred to another franchisee)

*Wingstop #166 - MO-Ferguson
Brad Wilemon
Arlington, TX
(817) 467-0357
(transferred to another franchisee)

*Wingstop #217 - MO-O'Fallon
Brad Wilemon
Arlington, TX
(817) 467-0357
(transferred to another franchisee)

*Wingstop #492 - MO-Overland-Overland Plaza
Brad Wilemon
Arlington, TX
(817) 467-0357
(transferred to another franchisee)

*Wingstop #594 - MO-Normandy
Brad Wilemon
Arlington, TX
817-467-0357
(franchise agreement terminated; restaurant never opened)

NORTH CAROLINA

Wingstop #186 - NC-Durham-MLK
Jeffrey E. Tsipis
Durham, NC
(919) 572-9294
(Closed; owns 1 Wingstop Restaurant)

TENNESSEE

Wingstop #447 - TN-Knoxville
Sudheer Reddy Bolla
Knoxville, TN
(865) 238-0095
(Closed)

TEXAS

Wingstop #441 - TX-Seguin
John Ortiz
Brownsville, TX
(956) 350-4343
(transferred to another franchisee; owns 10 Wingstop Restaurants)

Wingstop #5 - TX-Dallas-Camp Wisdom
Greg Dresh
Coppell, TX
(972) 304-3938
(transferred to another franchisee)

*Event occurred during 2012

Wingstop #13 - TX-Dallas-Wynnewood
Greg Dresh
Coppell, TX
(972) 304-3938
(transferred to another franchisee)

Wingstop #61 - TX-Cedar Hill
Greg Dresh
Coppell, TX
(972) 304-3938
(transferred to another franchisee)

Wingstop #123 - TX-Wichita Falls
Gary Shultz
Hurst, TX
(214) 871-5938
(transferred to another franchisee; owns 3 Wingstop Restaurants)

Wingstop #211 - TX-Midland
Gary Shultz
Hurst, TX
(214) 871-5938
(transferred to another franchisee; owns 3 Wingstop Restaurants)

Wingstop #297 - TX-Southlake
Todd Murrah
McKinney, TX
(972) 529-9345
(Closed, owns 9 Wingstop Restaurants)

Wingstop #22 - TX-Waco-S 2nd St
Mike Beheler
Robinson, TX
(254) 296-9464
(transferred to another franchisee)

Wingstop #77 - TX-Waco-New Rd
Mike Beheler
Robinson, TX
(254) 296-9464
(transferred to another franchisee)

Wingstop #253 - TX-Temple
Mike Beheler
Robinson, TX
(254) 296-9464
(transferred to another franchisee)

Wingstop #423 - TX-Bellmead
Mike Beheler
Robinson, TX
(254) 296-9464
(transferred to another franchisee)

Wingstop #502 - TX-Waco-Hewitt
Mike Beheler
Robinson, TX
(254) 296-9464
(transferred to another franchisee)

Wingstop #342 - TX-Austin- Parmer Lane
Jeff Worthen
Tyler, TX
(903) 877-4494
(transferred to another franchisee; owns 7 Wingstop Restaurants)

Wingstop #411 - TX-Cedar Park
Jeff Worthen
Tyler, TX
(903) 877-4494
(transferred to another franchisee; owns 7 Wingstop Restaurants)

*Event occurred during 2012

EXHIBIT H

RENEWAL RIDERS TO FRANCHISE AGREEMENT

Exhibit H-1

**RENEWAL RIDER
TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT**

THIS RENEWAL RIDER TO FRANCHISE AGREEMENT is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“**Company**”), and _____ (“**Franchisee**”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement to govern Franchisee’s continued operation of the Restaurant (the “**Renewal Franchise Agreement**”). Company and Franchisee acknowledge that the Renewal Franchise Agreement is the successor to the Franchise Agreement between Company and Franchisee dated as of _____, ____ (the “**Expiring Franchise Agreement**”), under which Franchisee operated the Restaurant during the primary franchise term. Company and Franchisee are signing this Rider to modify certain provisions of the Renewal Franchise Agreement to reflect that the Renewal Franchise Agreement is a successor to the Expiring Franchise Agreement—intended to govern the parties’ relationship during the renewal term—and that certain provisions of the Renewal Franchise Agreement do not apply to Franchisee’s operation of the Restaurant during the renewal term because Franchisee’s Restaurant already is constructed, open, and operating as of the date of the Renewal Franchise Agreement. (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Renewal Franchise Agreement).

2. **Expiration of Expiring Franchise Agreement.** The term of the Expiring Franchise Agreement shall be deemed to have expired as of its last scheduled day, as provided in the Expiring Franchise Agreement, and the term of the Renewal Franchise Agreement shall commence on the immediately following day, irrespective of the date(s) on which the Renewal Franchise Agreement and this Rider are signed. Franchisee will have no further rights under the Expiring Franchise Agreement following its expiration date.

3. **Glossary of Terms.** The definition of “Scheduled Opening Date” is hereby deleted from the Glossary of Terms in the Renewal Franchise Agreement.

4. **Recitals.** Section 1 of the Renewal Franchise Agreement, captioned **RECITALS**, is hereby deleted and replaced with the following:

Company has developed a System to guide and govern the operation of restaurants that operate under the Wingstop® trade name and sell buffalo-style chicken wings as their primary menu item. Company franchises the operation of Restaurants (in addition to conducting other business activities). Franchisee has operated a Restaurant under a Franchise Agreement with Company the primary term of which has expired. Company and Franchisee agree that Franchisee will continue operating the Restaurant, and that Company and Franchisee will continue their franchise relationship, under the terms and conditions of this Agreement.

5. **Franchise Fee.** Section 3 of the Renewal Franchise Agreement, captioned **FRANCHISE FEE**, is hereby deleted.

6. **Company Services and Assistance.**

(a) **Development Stage Assistance.**

(1) Sections 6(a)(1), 6(a)(3)(ii), 6(a)(7), and 6(a)(10) of the Renewal Franchise Agreement are hereby deleted.

(2) Section 6(a)(3)(i) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company previously provided an initial training program to Franchisee (or its Designated Principal) and certain of its employees. Subject to availability of pupil space and to payment of a reasonable tuition charge, Franchisee may re-enroll or enroll others in the training program from time to time for initial or refresher training. In all cases, Franchisee must pay the travel, lodging and incidental expenses that Franchisee, the General Manager and Franchisee's other designated trainees incur to attend the training program. Unless Franchisee is an individual who will operate his or her own Restaurant or a Business Entity whose Designated Principal will operate the Restaurant, Franchisee must hire a General Manager who either has roots in the general area where the Restaurant is located or is willing to move into the general area and establish community relations there. If Franchisee's General Manager leaves Franchisee's employment, Franchisee must notify Company promptly and must recruit, hire and send for training a suitable qualified replacement General Manager within a reasonable time, which will in no case exceed 30 days from the date the former General Manager departed.

(3) The first sentence of Section 6(a)(6) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

When Franchisee (or its Designated Principal) attended Company's training program, Company loaned Franchisee one (1) set of the Operations Manual and other relevant training materials.

(b) **Operational Assistance.** Sections 6(b)(1) and 6(b)(2) of the Renewal Franchise Agreement are hereby deleted.

7. **Franchisee's Performance.**

(a) **Business Entity Requirements.**

(1) Section 7(a)(1) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee's Charter Documents must provide that Franchisee's purposes and activities are restricted exclusively to operating Wingstop Restaurants.

(2) Section 7(a)(4) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee shall complete the information contained in Exhibit E before signing this Agreement and shall furnish a current version of the list to Company within 10 days after any change (some of which changes are subject to Section 13) and upon Company's request. Each Person Company designates, including Principals who need not sign the Guaranty, General Managers, and Assistant Managers, shall, if they have access to Trade Secrets and other Confidential Information, be required to sign an agreement in the form Company prescribes undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement.

(b) **Pre-Construction Procedures/Architecture Services.** Section 7(b) of the Renewal Franchise Agreement is hereby deleted.

(c) **Construction and Operations.**

(1) Section 7(c)(1) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will equip, furnish and decorate the Restaurant in compliance with Company's equipment, Trade Dress, Information System and signage specifications. Franchisee will not alter its furniture, fixtures, equipment, signs or Trade Dress in any fashion without Company's express prior permission.

(2) Section 7(c)(3) of the Renewal Franchise Agreement is hereby deleted.

(3) Section 7(c)(4) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee must sign and deliver to Company an Assignment of Telephone Number(s) for the Restaurant's telephone number(s) in the form attached to this Agreement as Exhibit D. If the Restaurant's telephone number changes during the franchise term, or if Franchisee adds additional lines for a modem or other purposes, Franchisee will promptly sign and deliver to Company a new Assignment of Telephone Number(s) for the new or additional number(s).

(4) Section 7(c)(5) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will operate the Restaurant continuously throughout the entire term of the franchise solely under the Wingstop trade name and System.

(5) Section 7(c)(21) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will (i) adopt and follow Company's fiscal year for accounting purposes, (ii) adopt and follow the accounting principles, policies and practices Company prescribes, including use of Company's standard chart of accounts, (iii) acquire, install and use the Information System Company specifies from time to time in the Operations Manual, (iv) install and continuously maintain a telephone line for the Restaurant's modem, and (v) furnish Company the modem's telephone number as changed from time to time.

(6) Section 7(c)(26)(ii) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee shall furnish Company certificates of insurance and, at Company's request, actual policies to prove that such insurance coverage is in effect annually within 5 days after each policy renewal date or each time Franchisee obtains a new policy prescribed by Company. If Franchisee fails to maintain the required insurance, Company may obtain coverage on Franchisee's behalf and charge the cost to Franchisee. Franchisee agrees to reimburse Company for the premium costs it incurs to provide such coverage, plus interest as provided in Section 14, within ten days after Company submits a statement for its costs.

8. **Term and Renewal.** Sections 11(b), (c), (d), (e), and (f) of the Renewal Franchise Agreement are hereby deleted, as Franchisee has no right to renew the franchise further after expiration of the Renewal Franchise Agreement.

9. **Transfers.**

(a) **Conditions to Voluntary Transfer of Rights.** The first paragraph of Section 13(b) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company, in its sole judgment, may consent to a voluntary disposition of Franchisee's interest in the franchise under this Agreement provided that all of the following conditions are met:

(b) **Conditions to Equity Transfer.** The first paragraph of Section 13(d) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company, in its sole judgment, may consent to a voluntary or involuntary sale, assignment or transfer of a Controlling Ownership

Interest in a Business Entity Franchisee, provided that all of the following conditions are met:

(c) **Purchase Upon Franchisee's Death or Disability.** The last sentence of Section 13(h)(2) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Further, Company may require the new management to attend and satisfactorily complete Company's then current training program.

10. **Default.** Section 16(b)(1) of the Renewal Franchise Agreement is hereby deleted.

WINGSTOP RESTAURANTS INC.

FRANCHISEE

By: _____

Signature, if an individual

Name: _____

Franchisee's name, printed

Title: _____

Date: _____

Date: _____

(Corporate, partnership and limited liability company franchisees must complete the following)

By: _____

Name: _____

Title: _____

Date: _____

* The text following the signature block in the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee's General Manager is: _____

General Manager Address/Telephone/Email: _____

**RENEWAL RIDER
TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT (2ND RENEWAL TERM OPTION)**

THIS RENEWAL RIDER TO FRANCHISE AGREEMENT is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“**Company**”), and [**FRANCHISEE**] (“**Franchisee**”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement to govern Franchisee’s continued operation of the Restaurant (the “**Renewal Franchise Agreement**”). Company and Franchisee acknowledge that the Renewal Franchise Agreement is the successor to the Franchise Agreement between Company and Franchisee dated as of [DATE] (the “**Expiring Franchise Agreement**”), under which Franchisee operated the Restaurant during the primary franchise term. Company and Franchisee are signing this Rider to modify certain provisions of the Renewal Franchise Agreement to reflect that the Renewal Franchise Agreement is a successor to the Expiring Franchise Agreement—intended to govern the parties’ relationship during the renewal term—and that certain provisions of the Renewal Franchise Agreement do not apply to Franchisee’s operation of the Restaurant during the renewal term because Franchisee’s Restaurant already is constructed, open, and operating as of the date of the Renewal Franchise Agreement. Company and Franchisee also are signing this Rider to reflect the terms upon which Franchisee shall have the option to renew the franchise for another 10 years upon expiration of the Renewal Franchise Agreement (the “**Second Renewal**”). Except as provided in this Rider, Franchisee would not have the option or right to acquire a Second Renewal after the Renewal Franchise Agreement expires. (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Renewal Franchise Agreement).

2. **Expiration of Expiring Franchise Agreement.** The term of the Expiring Franchise Agreement shall be deemed to have expired as of its last scheduled day, as provided in the Expiring Franchise Agreement, and the term of the Renewal Franchise Agreement shall commence on the immediately following day, irrespective of the date(s) on which the Renewal Franchise Agreement and this Rider are signed. Franchisee will have no further rights under the Expiring Franchise Agreement following its expiration date.

3. **Glossary of Terms.** The definition of “Scheduled Opening Date” is hereby deleted from the Glossary of Terms in the Renewal Franchise Agreement.

4. **Recitals.** Section 1 of the Renewal Franchise Agreement, captioned **RECITALS**, is hereby deleted and replaced with the following:

Company has developed a System to guide and govern the operation of restaurants that operate under the Wingstop® trade name and sell buffalo-style chicken wings as their primary menu item. Company franchises the operation of Restaurants (in addition to conducting other business activities). Franchisee has operated a Restaurant under a Franchise Agreement with Company the primary term of which has expired. Company and Franchisee agree that Franchisee will continue operating the Restaurant, and that Company and Franchisee will continue

their franchise relationship, under the terms and conditions of this Agreement.

5. **Franchise Fee.** Section 3 of the Renewal Franchise Agreement, captioned **FRANCHISE FEE**, is hereby deleted.

6. **Company Services and Assistance.**

(a) **Development Stage Assistance.**

(1) Sections 6(a)(1), 6(a)(3)(ii), 6(a)(7), and 6(a)(10) of the Renewal Franchise Agreement are hereby deleted.

(2) Section 6(a)(3)(i) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company previously provided an initial training program to Franchisee (or its Designated Principal) and certain of its employees. Subject to availability of pupil space and to payment of a reasonable tuition charge, Franchisee may re-enroll or enroll others in the training program from time to time for initial or refresher training. In all cases, Franchisee must pay the travel, lodging and incidental expenses that Franchisee, the General Manager and Franchisee's other designated trainees incur to attend the training program. Unless Franchisee is an individual who will operate his or her own Restaurant or a Business Entity whose Designated Principal will operate the Restaurant, Franchisee must hire a General Manager who either has roots in the general area where the Restaurant is located or is willing to move into the general area and establish community relations there. If Franchisee's General Manager leaves Franchisee's employment, Franchisee must notify Company promptly and must recruit, hire and send for training a suitable qualified replacement General Manager within a reasonable time, which will in no case exceed 30 days from the date the former General Manager departed.

(3) The first sentence of Section 6(a)(6) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

When Franchisee (or its Designated Principal) attended Company's training program, Company loaned Franchisee one (1) set of the Operations Manual and other relevant training materials.

(b) **Operational Assistance.** Sections 6(b)(1) and 6(b)(2) of the Renewal Franchise Agreement are hereby deleted.

7. **Franchisee's Performance.**

(a) **Business Entity Requirements.**

(1) Section 7(a)(1) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee's Charter Documents must provide that Franchisee's purposes and activities are restricted exclusively to operating Wingstop Restaurants.

(2) Section 7(a)(4) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee shall complete the information contained in Exhibit E before signing this Agreement and shall furnish a current version of the list to Company within 10 days after any change (some of which changes are subject to Section 13) and upon Company's request. Each Person Company designates, including Principals who need not sign the Guaranty, General Managers, and Assistant Managers, shall, if they have access to Trade Secrets and other Confidential Information, be required to sign an agreement in the form Company prescribes undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement.

(b) **Pre-Construction Procedures/Architecture Services.** Section 7(b) of the Renewal Franchise Agreement is hereby deleted.

(c) **Construction and Operations.**

(1) Section 7(c)(1) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will equip, furnish and decorate the Restaurant in compliance with Company's equipment, Trade Dress, Information System and signage specifications. Franchisee will not alter its furniture, fixtures, equipment, signs or Trade Dress in any fashion without Company's express prior permission.

(2) Section 7(c)(3) of the Renewal Franchise Agreement is hereby deleted.

(3) Section 7(c)(4) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee must sign and deliver to Company an Assignment of Telephone Number(s) for the Restaurant's telephone number(s) in the form attached to this Agreement as Exhibit D. If the Restaurant's

telephone number changes during the franchise term, or if Franchisee adds additional lines for a modem or other purposes, Franchisee will promptly sign and deliver to Company a new Assignment of Telephone Number(s) for the new or additional number(s).

(4) Section 7(c)(5) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will operate the Restaurant continuously throughout the entire term of the franchise solely under the Wingstop trade name and System.

(5) Section 7(c)(21) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee will (i) adopt and follow Company's fiscal year for accounting purposes, (ii) adopt and follow the accounting principles, policies and practices Company prescribes, including use of Company's standard chart of accounts, (iii) acquire, install and use the Information System Company specifies from time to time in the Operations Manual, (iv) install and continuously maintain a telephone line for the Restaurant's modem, and (v) furnish Company the modem's telephone number as changed from time to time.

(6) Section 7(c)(26)(ii) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee shall furnish Company certificates of insurance and, at Company's request, actual policies to prove that such insurance coverage is in effect annually within 5 days after each policy renewal date or each time Franchisee obtains a new policy prescribed by Company. If Franchisee fails to maintain the required insurance, Company may obtain coverage on Franchisee's behalf and charge the cost to Franchisee. Franchisee agrees to reimburse Company for the premium costs it incurs to provide such coverage, plus interest as provided in Section 14, within ten days after Company submits a statement for its costs.

8. **Term and Renewal.**

(a) Franchisee acknowledges that it must pay Company a fee for the option to acquire a Second Renewal after the Renewal Franchise Agreement expires (**the "Option Fee"**). The Option Fee is Fifteen Thousand Dollars (\$15,000), which Franchisee must pay in full when it signs this Rider. The Option Fee is not refundable under any circumstances, even if (1) Company refuses to grant Franchisee the Second Renewal because Franchisee fails to satisfy the conditions for the Second Renewal, or (2) Franchisee, though satisfying the conditions for the Second Renewal, chooses not to acquire the Second Renewal when the Renewal Franchise Agreement expires.

(b) Section 11(b) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

If, upon the expiration of the 10-year renewal term, Franchisee is in full compliance with Franchisee's agreements and obligations under this Agreement, Franchisee shall have the option to renew the franchise for one final 10-year term by (1) notifying Company of Franchisee's intention to renew not earlier than 180 days nor later than 90 days before the renewal term's scheduled expiration date, (2) signing Company's then current renewal form of Franchise Agreement (although Franchisee will have no further renewal rights after that final 10-year term) and a general release, in form and substance satisfactory to Company, of any and all claims against Company and its Affiliates, and all of their respective owners, officers, directors, and agents, arising out of or relating to this Agreement, the Restaurant, and the parties' business relationship (this requirement applies to Franchisee and each Controlling Principal), and (3) not later than 30 days before the renewal term's scheduled expiration date, completing the remodeling, refurbishing and modernizing of the Restaurant's interior and exterior, including its furniture, fixtures, signs, equipment, Information System and Trade Dress, to conform to the standards Company then stipulates (regardless of cost).

(c) Section 11(c) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee's failure or refusal to comply with any of the three conditions to renewal stated in Section 11(b), each of which Franchisee acknowledges to be reasonable and material, will be interpreted as a conclusive, irrevocable election on Franchisee's part not to renew the term of the franchise.

(d) Section 11(d) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

The relationship between Company and Franchisee during the renewal period will be governed by the provisions of Company's then current renewal form of Franchise Agreement, including those pertaining to advertising, competitive protection and concept modifications, provided, however, that the royalties due during the renewal period will equal 6% of the Restaurant's Gross Sales and Franchisee will have no further renewal rights after that final 10-year term. Whether or not Franchisee actually signs a then current renewal form of Franchise Agreement (with the 6% royalty rate), Franchisee will be conclusively presumed to have assented to and to have agreed to be bound by its terms by continuing to operate the Restaurant for one day past the renewal term's expiration date (although such continued operation by Franchisee shall not effect a renewal of the franchise nor obligate Company to renew the franchise).

(e) The last sentence of Section 11(e) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

If Company allows Franchisee to extend in order to complete a transfer, Franchisee will operate the Restaurant during the interim period in accordance with

Company's then current renewal form of franchise agreement, provided, however, that the royalties due during the interim period will equal 6% of the Restaurant's Gross Sales.

9. **Transfers.**

(a) **Conditions to Voluntary Transfer of Rights.** The first paragraph of Section 13(b) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company, in its sole judgment, may consent to a voluntary disposition of Franchisee's interest in the franchise under this Agreement provided that all of the following conditions are met:

(b) **Conditions to Equity Transfer.** The first paragraph of Section 13(d) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Company, in its sole judgment, may consent to a voluntary or involuntary sale, assignment or transfer of a Controlling Ownership Interest in a Business Entity Franchisee, provided that all of the following conditions are met:

(c) **Purchase Upon Franchisee's Death or Disability.** The last sentence of Section 13(h)(2) of the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Further, Company may require the new management to attend and satisfactorily complete Company's then current training program.

10. **Default.** Section 16(b)(1) of the Renewal Franchise Agreement is hereby deleted.

WINGSTOP RESTAURANTS INC.

[FRANCHISEE]

James A. Flynn
Chief Executive Officer

[NAME]

Date: _____

Title: _____

Date: _____

* The text following the signature block in the Renewal Franchise Agreement is hereby deleted and replaced with the following:

Franchisee's General Manager is: _____

General Manager Address/Telephone/Email: _____

EXHIBIT I

**STATE ADDENDA AND
DEVELOPMENT AGREEMENT/FRANCHISE AGREEMENT RIDERS**

Exhibit I-1

We are required to provide you with the following information about certain state laws and how they may affect your franchise contracts. By providing you this information, we are not agreeing that the laws apply to your franchise contract or waiving our right to challenge the validity or enforceability of the state law in the future. We are giving you this information solely for purposes of satisfying our disclosure obligations.

ILLINOIS

The following is added to Item 17 of the Disclosure Document:

In accordance with Illinois law, any provision in the Franchise Agreement or Development Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement or Development Agreement may provide for arbitration outside Illinois. In addition, Illinois laws will govern the Franchise Agreement with respect to those claims falling within the scope of such Illinois laws; Texas Law will govern all other claims.

MARYLAND

Item 17 of the Disclosure Document is amended to add the following in compliance with the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"):

- (a) Any release required as part of the Franchise Agreement or as a condition of the sale, renewal, or assignment of the franchise shall not apply to any liability under the Maryland Franchise Law. (Our current form of general release for use in connection with franchise transfers and renewals appears immediately before Exhibit A in the Disclosure Document.)
- (b) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.
- (c) Subject to your arbitration obligations, any provision in the Franchise Agreement or Development Agreement which requires litigation to be conducted in a forum other than the State of Maryland will not limit any rights you may have under § 14-216(c)(25) of the Maryland Franchise Law to bring suit in the State of Maryland.
- (d) The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.*).
- (e) The Franchise Agreement and Development Agreement require application of the laws of Texas, although claims arising under the Maryland Franchise Law shall be governed by such law.

MINNESOTA

1. Item 13 of the Disclosure Document is amended to state that the franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols ("Marks") or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use the Marks as long as you comply with the franchisor's directions.
2. The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, Wingstop Restaurants Inc. must give you 90 days' notice of termination with 60 days to cure. Wingstop Restaurants Inc. also must give you at least 180 days' notice of its intention not to renew a franchise. To the extent that the Franchise Agreement or Development Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Franchise Agreement or Development Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise, is a resident of Minnesota, or who will operate the franchise in Minnesota, to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

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

Minn. Rule 2860.4400J prohibits a franchisor from requiring a franchisee to assent to a general release. To the extent that the franchise agreement requires you to sign a general release as a condition of renewal or transfer, the franchise agreement will be considered amended to the extent necessary to comply with Minnesota law.

NORTH DAKOTA

1. The "Summary" sections of Items 17(c) and 17(m) of the Disclosure Document are amended by adding the following:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The row entitled "Liquidated Damages" in Item 6 and the "Summary" section of Item 17(i) of the Disclosure Document are amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The "Summary" section of Item 17(r) of the Disclosure Document is amended by adding the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

4. The "Summary" section of Item 17(v) of the Disclosure Document is amended by adding the following:

To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The “Summary” section of Item 17(w) of the Disclosure Document is amended by adding the following:

Except for federal law, North Dakota law applies.

RHODE ISLAND

1. The “Summary” section of Item 17(v) in both the “Franchise Agreement” and “Development Agreement” tables of the Disclosure Document is amended to read as follows:

Mediation and arbitration must be conducted at a suitable location chosen by the arbitrator that is within 10 miles of our current business address (currently Richardson, Texas), except that, subject to your arbitration obligation and to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w) in both the “Franchise Agreement” and “Development Agreement” tables of the Disclosure Document is deleted in its entirety and replaced with the following:

Except for Federal Arbitration Act and other federal law, and except as required by the Rhode Island Franchise Investment Act, Texas law applies.

VIRGINIA

The “Summary” section of Item 17(h) of the Franchise Agreement and Development Agreement charts in the Disclosure Document is amended by adding the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement or area representative agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
DEVELOPMENT AGREEMENT AND
FRANCHISE AGREEMENT**

**WINGSTOP RESTAURANTS INC.
ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT**

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987 (the "Illinois Franchise Act"), Wingstop Restaurants Inc. ("Wingstop") and _____ hereby amend the Development Agreement between them dated _____ (the "Agreement") as follows:

1. Section 41 of the Illinois Franchise Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

2. Any provision that designates jurisdiction or venue or requires Developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration shall take place outside the state of Illinois.

3. To the extent that Section 15 of the Agreement (pertaining to choice of law) conflicts with the Illinois Franchise Act, the Illinois Franchise Act will control.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

**WINGSTOP RESTAURANTS INC.
ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT**

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987 (the "Illinois Franchise Act"), Wingstop Restaurants Inc. ("Wingstop") and _____ hereby amend the Franchise Agreement between them dated _____ (the "Agreement") as follows:

1. Section 705/19 and 705/20 of the Illinois Franchise Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.
2. Section 41 of the Illinois Franchise Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.
3. Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration shall take place outside the state of Illinois.
4. To the extent that Section 24 of the Agreement (pertaining to choice of law) conflicts with the Illinois Franchise Act, the Illinois Franchise Act will control.
5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.
6. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

WINGSTOP RESTAURANTS INC.
MARYLAND AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of Maryland law, including the Maryland Franchise Registration and Disclosure (the "Maryland Franchise Law"), Wingstop Restaurants Inc. ("Wingstop") and _____ ("you") hereby amend the Development Agreement between them dated _____ (the "Agreement") as follows:

1. Section 14-226 of the Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Development Agreement requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase your development rights, the Agreement is amended to reflect that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

2. Pursuant to the Maryland Franchise Law, the Agreement is amended to reflect that:

(a) Any release required as part of the Agreement or as a condition of the sale, renewal, or assignment shall not apply to any liability under the Maryland Franchise Law.

(b) Notwithstanding any other provision contained in the Agreement, any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(c) Subject to your arbitration obligation, any provision in the Agreement which requires litigation to be conducted in a forum other than the State of Maryland will not limit any rights you may have under § 14-216(c)(25) of the Maryland Franchise Law to bring suit in the State of Maryland.

(d) Termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 *et seq.*), but Wingstop intends to enforce that provision to the extent enforceable.

(e) Notwithstanding any other provision contained in the Agreement, the Maryland Franchise Law will apply to all claims covered by such Law.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Maryland law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

4. All other provisions of the Agreement are hereby ratified and confirmed.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

WINGSTOP RESTAURANTS INC.
MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Maryland law, including the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”), Wingstop Restaurants Inc. (“Wingstop”) and _____ (“you”) hereby amend the Franchise Agreement between them dated _____ (the “Agreement”) as follows:

1. Section 14-226 of the Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Agreement requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase your franchise, the Agreement is amended to reflect that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

2. Pursuant to the Maryland Franchise Law, the Agreement is amended to reflect that:

(a) Any release required as part of the Agreement or as a condition of the sale, renewal, or assignment of the franchise shall not apply to any liability under the Maryland Franchise Law.

(b) Notwithstanding any other provision contained in the Agreement, any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(c) Subject to your arbitration obligation, any provision in the Agreement which requires litigation to be conducted in a forum other than the State of Maryland will not limit any rights you may have under § 14-216(c)(25) of the Maryland Franchise Law to bring suit in the State of Maryland.

(d) Termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 *et seq.*), but Wingstop intends to enforce that provision to the extent enforceable.

(e) Notwithstanding any other provision contained in the Agreement, the Maryland Franchise Law will apply to all claims covered by such Laws.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Maryland law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

4. All other provisions of the Agreement are hereby ratified and confirmed.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

WINGSTOP RESTAURANTS INC.
MINNESOTA AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of Minnesota law, including the Minnesota Franchise Act and the rules and regulations promulgated thereunder, Wingstop Restaurants Inc. (“Wingstop”) and _____ (“you”) hereby amend the Development Agreement between them dated _____ (the “Agreement”) as follows:

1. Sec. 80C.14, Subd. 4 of the Minnesota Franchises Act requires, except in certain specified instances, that Wingstop give you written notice of its intention not to renew the franchise 180 days before the franchise expires. Requirements imposed under the Minnesota Franchise Act will supersede inconsistent provisions contained in the Agreement.

2. Sec. 80C.14, Subd. 3 of the Minnesota Franchises Act requires, except in certain specified instances, that Wingstop give you ninety (90) notice of termination (with sixty (60) days to cure). Requirements imposed under the Minnesota Franchises Act will supersede inconsistent provisions contained in the Agreement.

3. Any release of claims or acknowledgment of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Minnesota Franchises Act or a rule or order promulgated thereunder shall be void with respect to claims arising under the Minnesota Franchises Act.

4. Secs. 80C.21 of the Minnesota Franchises Act and Minn. Rule 2860.4400J prohibit Wingstop from requiring litigation to be conducted outside Minnesota. Nothing in the Agreement will, or is intended to, abrogate or reduce any of your rights as provided for in the Minnesota Franchises Act or your rights to any procedure, forum or remedies provided for by the laws of the Minnesota.

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Minnesota law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

6. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, Wingstop reserves the right to challenge the enforceability of the state law.

7. All other provisions of the Agreement are hereby ratified and confirmed.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

WINGSTOP RESTAURANTS INC.
MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Minnesota law, including the Minnesota Franchise Act and the rules and regulations promulgated thereunder, Wingstop Restaurants Inc. (“Wingstop”) and _____ (“you”) hereby amend the Franchise Agreement between them dated _____ (the “Agreement”) as follows:

1. The Minnesota Department of Commerce requires that Wingstop indemnify you against liability to third parties for infringement resulting from your use of the trademarks licensed under the Agreement. Section 12 of the Agreement describes the circumstances under which Wingstop will indemnify you against third party liability for trademark infringement. Requirements imposed under the Minnesota Franchises Act will supersede inconsistent provisions contained in Section 12 of the Agreement.

2. Sec. 80C.14, Subd. 4 of the Minnesota Franchises Act requires, except in certain specified instances, that Wingstop give you written notice of its intention not to renew the franchise 180 days before the franchise expires. Requirements imposed under the Minnesota Franchise Act will supersede inconsistent provisions contained in the Agreement.

3. Sec. 80C.14, Subd. 3 of the Minnesota Franchises Act requires, except in certain specified instances, that Wingstop give you ninety (90) notice of termination (with sixty (60) days to cure). Requirements imposed under the Minnesota Franchises Act will supersede inconsistent provisions contained in the Agreement.

4. Any release of claims or acknowledgment of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Minnesota Franchises Act or a rule or order promulgated thereunder shall be void with respect to claims arising under the Minnesota Franchises Act.

5. Secs. 80C.21 of the Minnesota Franchises Act and Minn. Rule 2860.4400J prohibit Wingstop from requiring litigation to be conducted outside Minnesota. Nothing in the Agreement will, or is intended to, abrogate or reduce any of your rights as provided for in the Minnesota Franchises Act or your rights to any procedure, forum or remedies provided for by the laws of the Minnesota.

6. Section 18 of the Agreement (pertaining to liquidated damages) is hereby deleted to the extent required by the Minnesota Franchises Act.

7. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Minnesota law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

8. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, Wingstop reserves the right to challenge the enforceability of the state law.

9. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

**WINGSTOP RESTAURANTS INC.
NORTH DAKOTA AMENDMENT TO DEVELOPMENT AGREEMENT**

For purposes of complying with the requirements of North Dakota law, including the North Dakota Franchise Investment Law and the rules and regulations promulgated thereunder, Wingstop Restaurants Inc. ("Wingstop") and _____ ("you") hereby amend the Franchise Agreement between them dated _____ (the "Agreement") as follows:

1. **Releases.** Section 10(c)(iii) of the Development Agreement is amended by adding the following:

; provided, however, that such general release shall not apply to the extent prohibited by law with respect to claims arising under the North Dakota Franchise Investment Law.

2. **Covenant Against Competition.** Section 14 of the Development Agreement is amended by adding the following language:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, Developer acknowledges and agrees that Company intends to seek enforcement of these provisions to the extent enforceable under the law.

3. **Law Governing; Arbitration of Disputes.** The following language is added to the end of Section 15 of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement. To the extent required by applicable law, Developer may bring an action in North Dakota. In addition, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which Company and Developer agree.

3. **Waiver of Jury Trial.** If and then only to the extent required by the North Dakota Franchise Investment Law, the last sentence of Section 16(f) of the Development Agreement is deleted.

4. **Limitation of Claims.** Section 16(g) of the Development Agreement is amended by adding the following language:

The time limitations set forth in this Section might be modified by the North Dakota Franchise Investment Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____

Name: _____

Title: _____

DEVELOPER:

By: _____

Name: _____

Title: _____

**WINGSTOP RESTAURANTS INC.
NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT**

For purposes of complying with the requirements of North Dakota law, including the North Dakota Franchise Investment Law and the rules and regulations promulgated thereunder, Wingstop Restaurants Inc. ("Wingstop") and _____ ("you") hereby amend the Franchise Agreement between them dated _____ (the "Agreement") as follows:

1. **Releases.** Sections 11(b), 11(e), 13(b)(13), 13(d)(4), and 13(f)(2) of the Franchise Agreement are amended by adding the following:

Provided, however, that any general release shall not apply to the extent prohibited by law with respect to claims arising under the North Dakota Franchise Investment Law.

2. **Liquidated Damages.** Section 18 of the Franchise Agreement is amended by adding the following language:

Company and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law; however, they agree to enforce the provision to the extent the law allows.

3. **Covenant Against Competition.** Section 19 of the Franchise Agreement is amended by adding the following language:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, Franchisee acknowledges and agrees that Company intends to seek enforcement of these provisions to the extent enforceable under the law.

4. **Law Governing; Dispute Resolution.** The following language is added to the end of Section 24 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement. To the extent required by applicable law, Franchisee may bring an action in North Dakota. In addition, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which Company and Franchisee agree.

6. **Waiver of Jury Trial.** If and then only to the extent required by the North Dakota Franchise Investment Law, the last sentence of Section 26(e) of the Franchise Agreement is deleted.

7. **Limitation of Claims.** Section 23(f) of the Franchise Agreement is amended by adding the following language:

The time limitations set forth in this Subsection might be modified by the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

**WINGSTOP RESTAURANTS INC.
RHODE ISLAND AMENDMENT TO DEVELOPMENT AGREEMENT**

For purposes of complying with the requirements of Rhode Island law, including the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Act"), Wingstop Restaurants Inc. ("Wingstop") and _____ hereby amend the Development Agreement between them dated _____ (the "Agreement") as follows:

1. Any provision that designates jurisdiction or venue or requires Developer to agree to jurisdiction or venue in a forum outside of Rhode Island is void with respect to any cause of action which is otherwise enforceable in Rhode Island, except arbitration shall take place outside the state of Rhode Island.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

**WINGSTOP RESTAURANTS INC.
RHODE ISLAND AMENDMENT TO FRANCHISE AGREEMENT**

For purposes of complying with the requirements of Rhode Island law, including the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Act"), Wingstop Restaurants Inc. ("Wingstop") and _____ hereby amend the Franchise Agreement between them dated _____ (the "Agreement") as follows:

1. Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Rhode Island is void with respect to any cause of action which is otherwise enforceable in Rhode Island, except arbitration shall take place outside the state of Rhode Island.

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment and have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

WINGSTOP RESTAURANTS INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

EXHIBIT J

FRANCHISEE REPRESENTATIONS

Exhibit J-1

**WINGSTOP RESTAURANTS INC.
FRANCHISEE REPRESENTATIONS**

Important Instructions: Wingstop Restaurants Inc. (“we,” “us,” or “our”) and you are ready to sign a Development Agreement or a Franchise Agreement for the development and operation of a WINGSTOP® Restaurant (the “Restaurant”) and, if the Development Agreement permits, potentially multiple WINGSTOP® Restaurants. This document’s purpose is to determine whether any statements or promises were made to you that we have not authorized, that do not appear in or are inconsistent with our franchise documents, and that may be untrue, inaccurate, or misleading. We also want to be sure that you understand certain terms of the agreements you will sign and their ramifications. Please review each of the following statements carefully and do not sign this document if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will take actions in reliance on the truth of what it says.

Name of Prospective Franchisee: _____
(the “Franchisee”)

Each of the undersigned represents that all of the following statements are true:

1. Each of the undersigned has conducted its own independent investigation of us, the System (as that term is used in our Development Agreement and Franchise Agreement), the risks, burdens, and nature of the business Franchisee will conduct under the Franchise Agreement, the Restaurant, the shopping center or other location for the Restaurant (if already selected), and the Restaurant’s market area.

***Insert initials into the following blank to confirm this statement: ____**

2. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Agreement involves risk and that any success or failure will be substantially influenced by Franchisee’s ability and efforts, the viability of the Restaurant’s location, competition from other restaurants, interest rates, inflation, labor, food, and supply costs, lease terms, and other economic and business factors.

***Insert initials into the following blank to confirm this statement: ____**

3. Each of the undersigned understands that we previously might have entered into development agreements and franchise agreements with provisions different from the provisions of Franchisee’s Development Agreement and Franchise Agreement and, in the future, may enter into development agreements and franchise agreements with provisions different from the provisions of Franchisee’s Development Agreement and Franchise Agreement.

***Insert initials into the following blank to confirm this statement: ____**

4. If we unilaterally made material changes in Franchisee’s final, ready-to-be signed copies of the Development Agreement, Franchise Agreement and/or related documents (other than as a result of our negotiations with Franchisee), Franchisee has had possession of those documents for at least seven (7) calendar days before executing them and has had ample

opportunity to consult with his, her, or its attorneys, accountants, and other advisors concerning those documents.

***Insert initials into the following blank to confirm this statement: ____**

5. Franchisee has received a franchise disclosure document (“FDD”) as required by law at least 14 calendar days before signing the Development Agreement or Franchise Agreement and at least 14 calendar days before paying any consideration to us or an affiliate in connection with this franchise opportunity and has had ample opportunity to consult with his, her, or its attorneys, accountants, and other advisors concerning the FDD.

***Insert initials into the following blank to confirm this statement: ____**

[If Franchisee is based or will operate in Michigan or Washington, Franchisee also has received the FDD at least 10 business days before signing the Development Agreement or Franchise Agreement and at least 10 business days before paying any consideration to us or an affiliate in connection with this franchise opportunity.]

***Insert initials into the following blank to confirm this statement: ____**

[If Franchisee is based or will operate in Rhode Island, Franchisee also has received the FDD at the earlier of our first personal meeting with Franchisee to discuss the franchise opportunity but at least 10 business days before signing the Development Agreement or Franchise Agreement and at least 10 business days before paying any consideration to us or an affiliate in connection with this franchise opportunity.]

***Insert initials into the following blank to confirm this statement: ____**

6. Except as provided in our FDD, we have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Restaurant or any other business, except: (None, unless something is filled-in here or provided on additional sheets)

***Insert initials into the following blank to confirm this statement: ____**

7. Each of the undersigned understands that:

7.1 Except as provided within the FDD, we do not authorize our officers, directors, or employees to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any WINGSTOP® Restaurant.

***Insert initials into the following blank to confirm this statement: ____**

7.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular WINGSTOP® Restaurant.

***Insert initials into the following blank to confirm this statement: ____**

7.3 We have specifically instructed our officers, directors, and employees that, except as provided in our FDD, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular WINGSTOP® Restaurant.

***Insert initials into the following blank to confirm this statement: ____**

7.4 If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it.

***Insert initials into the following blank to confirm this statement: ____**

8. Before signing the Development Agreement, Franchise Agreement and/or any related documents, the undersigned Franchisee has had ample opportunity: (A) to discuss the Development Agreement, the Franchise Agreement, any related document, and the business Franchisee will conduct with his or her own attorneys, accountants, and real estate and other advisors; (B) to contact our existing franchisees; and (C) to investigate all statements and information made or given by us and our officers, directors, employees, and agents relating to the System, the Restaurant, and any other subject.

***Insert initials into the following blank to confirm this statement: ____**

9. Each of the undersigned understands that the Franchise Agreement licenses certain rights for one, and only one, Restaurant, located only at the location specified (or to be specified) in the Franchise Agreement, and that, except as may be provided in the Franchise Agreement or a signed Development Agreement with us, no “exclusive,” “expansion,” “protected,” “non-encroachable,” or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the shopping center or other structure in which the Restaurant is located, the contiguous or any other market area of the Restaurant, or any other existing or potential WINGSTOP® Restaurant or geographic territory.

***Insert initials into the following blank to confirm this statement: ____**

10. Each of the undersigned understands that the Development Agreement and Franchise Agreement (including any riders and exhibits) constitute the entire agreements between the parties and supersede all prior and contemporaneous oral or written agreements, statements, representations (except for those in the FDD), or understandings of us, the undersigned, and Franchisee.

***Insert initials into the following blank to confirm this statement: ____**

11. Each of the undersigned understands that only things stated or promised by us in the Development Agreement, Franchise Agreement, or FDD can be relied upon by the undersigned or Franchisee. The undersigned and Franchisee cannot rely on anything not specifically set forth in those documents.

***Insert initials into the following blank to confirm this statement: ____**

12. Each of the undersigned has confirmed that no employee of ours or other person speaking on our behalf has made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to Franchisee that is contrary to, or different from, the information contained in the FDD, the Development Agreement, and the Franchise Agreement.

***Insert initials into the following blank to confirm this statement: ____**

13. Each of the undersigned understands that we may sell or transfer our assets, our trademarks, or the WINGSTOP® System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, a recapitalization, a leveraged buy-out, or other economic or financial restructuring.

***Insert initials into the following blank to confirm this statement: ____**

14. The only state(s) in which each of the undersigned is a resident is (are): _____.

***Insert initials into the following blank to confirm this statement: ____**

15. Each of the undersigned understands the importance of the Restaurant's location. The undersigned and Franchisee have had, or will have, ample opportunity and the means to investigate, review, and analyze independently the Restaurant's location, the shopping center or other building in which it is contained, the market area and all other facts relevant to the selection of a site for a WINGSTOP® Restaurant, and the lease documents for such location.

***Insert initials into the following blank to confirm this statement: ____**

16. Each of the undersigned understands that neither our acceptance or selection of any location nor our negotiation or acceptance of any lease implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease is on favorable terms, its often being the case that leases are available only on very tough terms.

***Insert initials into the following blank to confirm this statement: ____**

17. Each of the undersigned understands that site selection is a difficult and risky proposition. We have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants or other

attributes, or the form or contents of any lease. Franchisee will have any lease reviewed by his or her own attorney and other advisors.

***Insert initials into the following blank to confirm this statement: ____**

18. The covenants and restrictions concerning competition contained in the Development Agreement and Franchise Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature that enable each of them to derive income that is satisfactory to them from other endeavors.

***Insert initials into the following blank to confirm this statement: ____**

19. There is no fiduciary or confidential relationship between us and the undersigned or between us and Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with him or her at arm's length and in our own best interests.

***Insert initials into the following blank to confirm this statement: ____**

20. We have advised the undersigned and Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Development Agreement, the Franchise Agreement, this document, the Restaurant, any lease or sublease for the premises, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

***Insert initials into the following blank to confirm this statement: ____**

21. Neither we nor any employee has provided the undersigned or Franchisee with services or advice that is legal, accounting, or other professional services or advice.

***Insert initials into the following blank to confirm this statement: ____**

22. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Development Agreement and Franchise Agreement. The statements made in this document, the Development Agreement, and the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

***Insert initials into the following blank to confirm this statement: ____**

23. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant

risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Development Agreement and Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

***Insert initials into the following blank to confirm this statement: _____**

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law

The representations above 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.

(Signature)

(Signature)

(Name Printed)

(Name Printed)

(Date)

(Date)

EXHIBIT K

**FRANCHISE AMERICA FINANCE/BANCORP BANK
SBA LOAN PROGRAM SAMPLE LOAN DOCUMENTS**

Exhibit K-1

_____, 2011

Dear <Insert Franchisee Name>:

<Add Introductory Language if Desired>

You have informed Wingstop Restaurants Inc. (“WRI”) that you will seek financing for certain costs of establishing your WINGSTOP® Restaurant franchise and will apply to Bancorp Bank (“Bancorp”) for such financing. With respect to such financing, you make the following representations and acknowledgements to WRI:

- 1) You made your own independent decision to seek financing for your acquisition of a WINGSTOP® Restaurant franchise;
- 2) You made your own independent decision to seek financing from Bancorp;
- 3) You confirm the accuracy of all information and data you provided to WRI and all third parties;
- 4) You are not relying on any promises made by WRI regarding the availability of financing or the terms of such financing;
- 5) You acknowledge and understand that WRI has not been, and will not be, involved in any decision made by Bancorp regarding an offer of financing to you or the terms of such financing;
- 6) You acknowledge and understand that Bancorp will make its own independent decision regarding any offer of financing to you and the terms of such financing;
- 7) You acknowledge and understand that WRI disclaims any representations made by Bancorp or its agent, Franchise America Finance LLC (“FAF”) and that WRI has no responsibility for the performance of any obligations or undertakings by Bancorp or FAF;
- 8) You acknowledge and understand that WRI is not a guarantor of any financing you may obtain and does not promise to pay or otherwise perform your obligations with respect to such financing;
- 9) You have had the opportunity to consult with an attorney or other professional advisor regarding the financing of your acquisition; and

This is the entire agreement of the parties regarding the subject matter of this letter.

If the foregoing is accurate and consistent with your understanding, please sign where provided below.

Very truly yours,

Wingstop Restaurants Inc.

By: _____
Its: _____

Acknowledged and Agreed:

Prospective Franchisee

Guarantor

AGREEMENT OF FRANCHISOR

THIS AGREEMENT is entered into this ____ day of _____, 2011 by and between **THE BANCORP BANK** (“Lender”), _____ (“Borrower”) and **WINGSTOP RESTAURANTS INC.** (“Franchisor”).

WHEREAS, Franchisor and Borrower have entered into that certain Franchise Agreement dated _____, by and between Franchisor and Borrower, a copy of which is attached as Exhibit A; and

WHEREAS, Borrower has requested that Lender provide Borrower with a United States Small Business Administration (“SBA”) Guaranteed Loan; and

WHEREAS, Lender is unwilling to provide and fund such a loan to Borrower unless Franchisor shall provide Franchisor’s agreement to certain terms and conditions.

NOW THEREFORE, for and in consideration of the Lender’s agreement to provide the requested SBA funding to Borrower, and other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Franchisor hereby agrees that in the event of any default by Borrower under the terms of the Franchise Agreement such that Franchisor determines to or intends to terminate the Franchise Agreement, it shall provide written notice of such default and intent to terminate to Lender at the Lender’s address as set forth below and shall provide Lender with a minimum of twenty-one (21) days to cure such default(s), which Lender cure period shall run coterminously with, and shall not extend beyond, any cure period provided to Borrower by Franchisor; provided, that Franchisor may proceed with termination immediately upon notice to Lender if such default by Borrower is not curable under the terms of Section 16 of the Franchise Agreement.
2. That Lender and SBA can have access to Franchisor’s books and records relating to Borrower’s gross sales.
3. Franchisor hereby certifies that there have been no changes in the Franchisor’s Franchise Agreement as of the date hereof that are in any way relevant to the SBA’s eligibility guidelines since the initial registration thereof or since that last revision date in the SBA Franchise Registry.
4. Franchisor agrees to provide upon request the Borrower’s Financial Statements for the Lender and SBA.

FRANCHISOR:

WINGSTOP RESTAURANTS INC.

By: _____

Its: _____

BORROWER:

By: _____

Its: _____

LENDER:

THE BANCORP BANK

By: _____

Its: _____



U.S. Small Business Administration

NOTE

SBA Loan #	
SBA Loan Name	
Date	
Loan Amount	
Interest Rate	
Borrower	
Operating Company	
Lender	

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of _____ Dollars,
interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

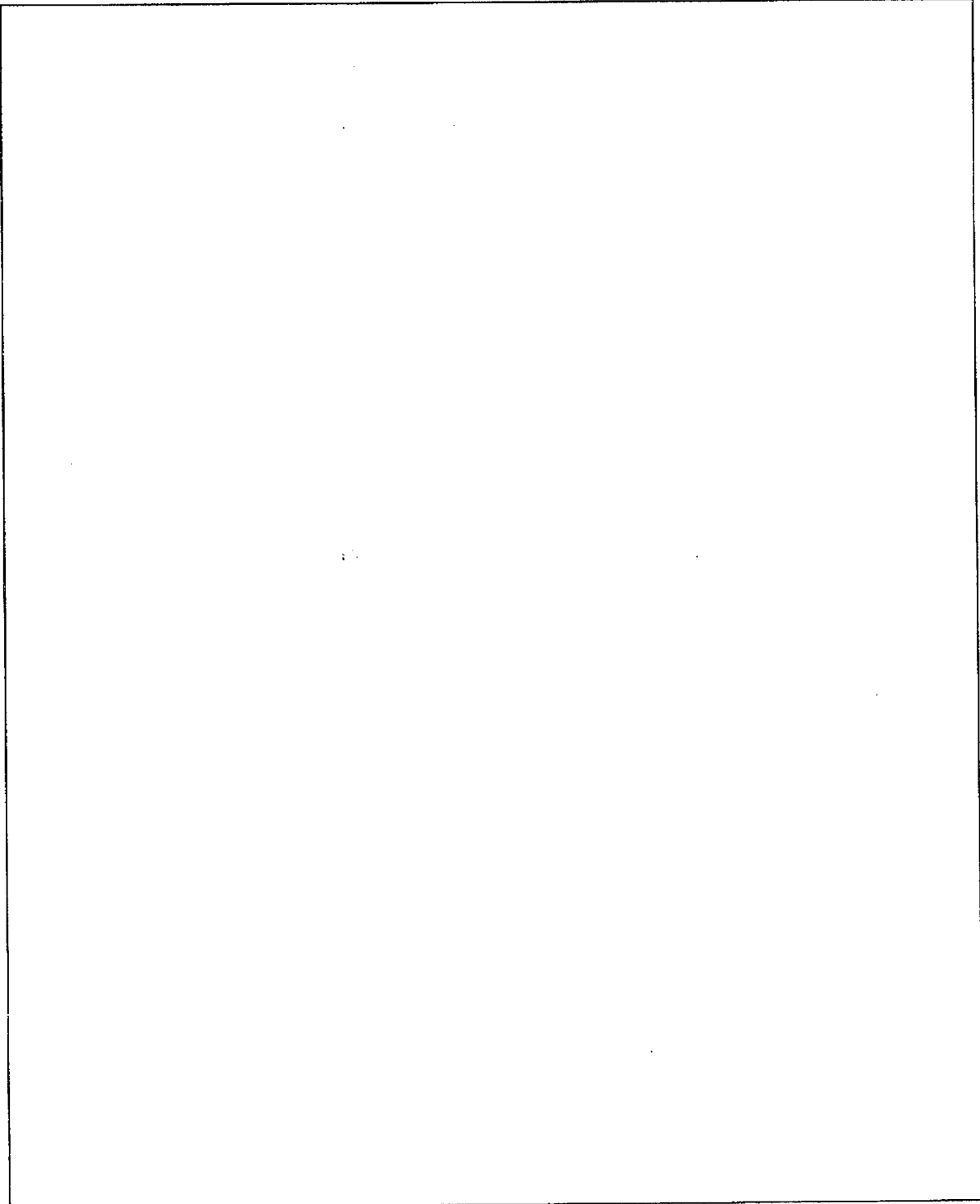
“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:



4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10. STATE-SPECIFIC PROVISIONS:

A large, empty rectangular box with a thin black border, occupying the central portion of the page. It is intended for the user to provide state-specific provisions.

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

A large, empty rectangular box with a thin black border, intended for the borrower's name and signature. The box is currently blank.



U.S. Small Business Administration
UNCONDITIONAL GUARANTEE

SBA Loan #	
SBA Loan Name	
Guarantor	
Borrower	
Lender	
Date	
Note Amount	

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated _____ in the principal amount of _____ Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

- A. Guarantor waives all rights to:
 - 1) Require presentment, protest, or demand upon Borrower;
 - 2) Redeem any Collateral before or after Lender disposes of it;
 - 3) Have any disposition of Collateral advertised; and
 - 4) Require a valuation of Collateral before or after Lender disposes of it.
- B. Guarantor waives any notice of:
 - 1) Any default under the Note;
 - 2) Presentment, dishonor, protest, or demand;
 - 3) Execution of the Note;
 - 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
 - 5) Any change in the financial condition or business operations of Borrower or any guarantor;
 - 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
 - 7) The time or place of any sale or other disposition of Collateral.
- C. Guarantor waives defenses based upon any claim that:
 - 1) Lender failed to obtain any guarantee;
 - 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
 - 3) Lender or others improperly valued or inspected the Collateral;
 - 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a co-guarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

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11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

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SECURITY AGREEMENT - COMMERCIAL

This Security Agreement - Commercial ("**Security Agreement**") is executed, made and delivered this _____ by _____ (herein the "**Debtor**"), whose address is _____, for the benefit of _____ (the "**Secured Party**"), whose address is _____.

FOR VALUE RECEIVED, the receipt, adequacy and sufficiency of which are hereby acknowledged, Debtor grants to Secured Party the security interest (and the pledges and assignments as applicable) hereinafter set forth and agrees with Secured Party as follows:

A. OBLIGATIONS SECURED. The security interest and pledges and assignments as applicable granted hereby are to secure punctual payment and performance of the following (i) a certain promissory note from _____, the ("**Borrower**") of even date herewith in the original principal sum of _____ (\$ _____) and payable to the order of Secured Party (the "**Note**"), and any and all extensions, renewals, modifications and rearrangements thereof; and (ii) any and all other indebtedness, liabilities and obligations whatsoever of Debtor to Secured Party whether direct or indirect, absolutely or contingent, primary or secondary, due or to become due and whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several, or joint and several (all of which are herein separately and collectively referred to as the "**Obligations**"). Debtor acknowledges that the security interest hereby granted shall secure all future advances as well as any and all other indebtedness, liabilities and obligations of Debtor to Secured Party whether now in existence or hereafter arising.

B. USE OF COLLATERAL. Debtor represents, warrants and covenants that the Collateral will be used by the Debtor primarily for business, commercial, or other similar purposes.

C. DESCRIPTION OF COLLATERAL. Debtor hereby grants to Secured Party a security interest in (and hereby pledges and assigns as applicable) and agrees that Secured Party shall continue to have a security interest in (and a pledge and assignment of, as applicable), the following property:

All Accounts. A security interest in all accounts now owned or existing as well as any and all that may hereafter arise or be acquired by Debtor, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any which accounts, or other proceeds of any sale or other disposition of inventory.

All Inventory. A security interest in all of Debtor's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property, wheresoever located, now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's business, and all additions and accessions thereto, and all leases and contracts with respect thereto, and all documents of title evidencing, or representing any part thereof, and all products and proceeds thereof, whether in the possession of the Debtor, warehouseman, bailee, or any other person.

All Equipment, Furniture, Fixtures and other Tangible Property. A security interest in all equipment, furniture, fixtures and other tangible property of every nature and description whatsoever, now owned or hereafter acquired by Debtor, including all appurtenances and additions thereto, and substitutions therefor and replacement thereof, wheresoever located, including all tools, parts and accessories used in connection therewith and including but not limited to the collateral listed on Exhibit A" attached hereto.

General Intangibles. A security interest in all general intangibles and other personal property now owned or hereafter acquired by Debtor other than goods, accounts, chattel paper, documents or instruments.

Chattel Paper. A security interest in all of Debtor's interest under chattel paper, lease agreements and other instruments or documents, whether now existing or owned by Debtor or hereafter arising or acquired by Debtor, evidencing both a debt and security interest in or lease of specific goods.

Instruments. A pledge and assignment of and security interest in all of Debtor's Instruments now owned or existing as well as hereafter acquired or arising instruments and documents.

The term "**Collateral**" as used in this Agreement shall mean and include, and the security interest (and pledge and assignment as applicable) shall cover, all of the foregoing property, as well as any accessions, additions and attachments thereto, and the proceeds and products thereof, including without limitation, all cash, general intangibles, accounts, inventory, equipment, fixtures, farm products, notes, drafts, acceptances, securities, instruments, chattel paper, insurance proceeds payable because of loss or damage, or other property, benefits or rights arising therefrom, and in and to all returned or repossessed goods arising from or relating to any of the property described herein or other proceeds of any sale or other disposition of such property.

As additional security for the punctual payment and performance of the Obligations, and as part of the Collateral, Debtor hereby grants to Secured Party a security interest in, and a pledge and assignment of, any and all money, property, deposit accounts, accounts, securities, documents, chattel paper, claims, demands, instruments, items or deposits of the Debtor, and each of them, or to which any of them is a party, now held or hereafter coming within Secured Party's custody or control, including without limitation, all certificates of deposit and other depository accounts, whether such have matured or the exercise of Secured Party's rights results in loss of interest or principal or other penalty on such deposits, but excluding deposits subject to tax penalties if assigned. Without prior notice to or demand upon the Debtor, Secured Party may exercise its rights granted above at any time when a default has occurred or Secured Party deems itself insecure. Secured Party's rights and remedies under this paragraph shall be in addition to and cumulative of any other rights or remedies at law and equity, including, without limitation, any rights of set-off to which Secured Party may be entitled.

D. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR. Debtor represents and warrants as follows:

1. **Ownership; No Encumbrances.** Except for the security interest (and pledges and assignments as applicable) granted hereby, the Debtor is, and as to any property acquired after the date hereof which is included within the Collateral, Debtor will be, the owner of all such Collateral free and clear from all charges, liens, security interests, adverse claims and encumbrances of any and every nature whatsoever.

2. **No Financing Statements.** There is no financing statement or similar filing now on file in any public office covering any part of the Collateral, and Debtor will not execute and there will not be on file in any public office any financing statement or similar filing except the financing statements filed or to be filed in favor of, or assigned or to be assigned on the date hereof to, Secured Party.

3. **Accuracy of Information.** All information furnished to Secured Party concerning Debtor, the Collateral and the Obligations, or otherwise for the purpose of obtaining or maintaining credit, is or will be at the time the same is furnished, accurate and complete in all material respects.

4. **Authority.** Debtor has full right and authority to execute and perform this Agreement and to create the security interest (and pledges and assignment as applicable) created by this Agreement. The making and performance by Debtor of this Agreement will not violate any articles of incorporation, bylaws or similar document respecting Debtor, any provision of law, any order of court or governmental agency, or any indenture or other agreement to which Debtor is a party, or by which Debtor or any of Debtor's property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture or other agreement, or result in the creation or imposition of any charge, lien, security interest, claim or encumbrance of any and every nature whatsoever upon the Collateral, except as contemplated by this Agreement.

5. **Addresses.** The address of Debtor designated at the beginning of this Agreement is Debtor's place of business if Debtor has only one place of business; Debtor's chief executive office if Debtor has more than one place of business; or Debtor's residence if Debtor has no place of business. Debtor agrees not to

change such address without advance written notice to Secured Party.

E. GENERAL COVENANTS. Debtor covenants and agrees as follows:

1. **Operation of Collateral.** Debtor agrees to maintain and use the Collateral solely in the conduct of its own business, in a careful and proper manner, and in conformity with all applicable permits or licenses. Debtor shall comply in all respects with all applicable statutes, laws, ordinances and regulations. Debtor shall not use the Collateral in any unlawful manner or for any unlawful purpose, or in any manner or for any purpose that would expose the Collateral to unusual risk, or to penalty, forfeiture or capture, or that would render inoperative any insurance in connection with the Collateral.

2. **Condition.** Debtor shall maintain, service and repair the Collateral so as to keep it in good operating condition. Debtor shall replace within a reasonable time all parts that may be worn out, lost, destroyed or to otherwise rendered unfit for use, with appropriate replacement parts. Debtor shall obtain and maintain in good standing at all times all applicable permits, licenses, registrations and certificates respecting the Collateral.

3. **Assessments.** Debtor shall promptly pay when due all taxes, assessments, license fees, and governmental charges levied or assessed against Debtor or with respect to the Collateral or any part thereof.

4. **No Encumbrances.** Debtor agrees not to suffer or permit any charge, lien, security interest, adverse claim or encumbrance of any and every nature whatsoever against the Collateral or any part thereof.

5. **No Removal.** Except as otherwise provided in this Agreement, Debtor shall not remove the Collateral from the County or counties designated at the beginning of this Agreement without Secured Party's written consent.

6. **No Transfer.** Except as otherwise provided in this Agreement with respect to inventory, Debtor shall not, without the prior written consent of Secured Party, sell, assign, transfer, lease, charter, encumber, hypothecate or dispose of the Collateral, or any part thereof, or interest therein or offer to do any of the foregoing.

7. **Notices and Reports.** Debtor shall promptly notify Secured Party in writing of any change in the name, identity or structure of Debtor, any charge, lien, security interest, claim or encumbrance asserted against the Collateral, any litigation against Debtor or the Collateral, any theft, loss, injury or similar incident involving the Collateral, and any other material matter adversely affecting Debtor or the Collateral. Debtor shall furnish such other reports, information and data regarding Debtor's financial condition and operations, the Collateral and such other matters as Secured Party may request from time to time.

8. **Landlord's Waivers.** Debtor shall furnish to Secured Party, if requested, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises, such landlord's waivers to be in such form and upon such terms as are acceptable to Secured Party.

9. **Additional Filings.** Debtor agrees to execute and deliver such financing statement or statements, or amendments thereof or supplements thereto, or other documents as Secured Party may from time to time require in order to comply with the _____ Uniform Commercial Code (or other applicable state laws of the jurisdiction where any of the Collateral is located) and to preserve and protect the Secured Party's rights to the Collateral.

10. **Protection of Collateral.** Secured Party, at its option, whether before or after default, but without any obligation whatsoever to do so, may (a) discharge taxes, claims, charges, liens, security interests, assessments or other encumbrances of any and every nature whatsoever at any time levied, placed upon or asserted against the Collateral, (b) place and pay for insurance on the Collateral, including insurance that only protects Secured Party's interest, (c) pay for the repair, improvement, testing, maintenance and preservation of the Collateral, (d) pay any filing, recording, registration, licensing or certificate fees or other fees and charges related to the Collateral, or (e) take any other action to preserve and protect the Collateral and Secured Party's rights and remedies under this Agreement as Secured Party may deem necessary or appropriate. Debtor agrees that Secured Party shall

have no duty or obligation whatsoever to take any of the foregoing action. Debtor agrees to promptly reimburse Secured Party upon demand for any payment made or any expense incurred by the Secured Party pursuant to this authorization. These payments and expenditures, together with interest thereon from date incurred until paid by Debtor at the maximum contract rate allowed under applicable laws, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement.

11. **Inspection.** Debtor shall at all reasonable times allow Secured Party by or through any of its officers, agents, attorneys or accountants, to examine the Collateral, wherever located, and to examine and make copies of or extracts from Debtor's books and records.

12. **Further Assurances.** Debtor shall do, make, procure, execute and deliver all such additional and further acts, things, deeds, interests and assurances as Secured Party may request from time to time to protect, assure and enforce Secured Party's rights and remedies.

13. **Insurance.** Debtor shall have and maintain insurance at all times with respect to all tangible Collateral insuring against risks of fire (including so-called extended coverage), theft and such other risks as Secured Party may require, containing such terms, in such form and amounts and written by such companies as may be satisfactory to Secured Party, all of such insurance to contain loss payable clauses in favor of Secured Party as its interest may appear. All policies of insurance shall provide for fifteen (15) days written minimum cancellation notice to Secured Party and at the request of Secured Party shall be delivered to and held by it. Secured Party is hereby authorized to act as attorney for Debtor in obtaining, adjusting, settling and canceling such insurance to the Obligations secured hereby whether or not such Obligations are then due and payable. Debtor specifically authorizes Secured Party to disclose from the policies of insurance to prospective insurers regarding the Collateral.

14. **Additional Collateral.** If Secured Party should at any time be of the opinion that the Collateral is impaired or insufficient, or has declined or may decline in value, or should Secured Party deem payment of the Obligations to be insecure, then Secured Party may call for additional security satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional security may be oral, by messenger or telefax, or United States mail addressed to Debtor, and shall not affect any other subsequent right of Secured Party to exercise the same.

15. **Goods.** Notwithstanding anything to the contrary contained in this agreement, if any Debtor is a "consumer" as defined Regulation AA of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 227, or the Federal Trade Commission Credit Practices Rule, 16 C.F.R. Part 444, as applicable, no lien or security interest created or evidenced by this agreement shall extend to or cover a non-possessory lien or security interest in "household goods," other than a purchase money lien or security interest, in accordance with such regulations as applicable.

F. **ADDITIONAL PROVISIONS REGARDING ACCOUNTS.** The following provisions shall apply to all accounts included within the Collateral:

1. **Definitions.** The term "account", as used in this Agreement, shall have the same meaning as set forth in the Uniform Commercial Code of _____ in effect as of the date of execution hereof, and as set forth in any amendment to the Uniform Commercial Code of _____ to become effective after the date of execution hereof, and also shall include all present and future notes, instruments, documents, general intangibles, drafts, acceptances and chattel paper of Debtor, and the proceeds thereof.

2. **Additional Warranties.** As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to such and all of such accounts as follows: (a) each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale or lease of goods sold or leased and delivered to, or out of and for services therefore actually rendered by the Debtor to, the account debtor named in the account; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any set-offs, credits, defenses, deductions or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims and encumbrances of any and every nature whatsoever.

3. **Collection of Accounts.** Secured Party shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor forthwith to transmit all proceeds of collection of accounts directly to Secured Party, to demand, collect, receive, receipt for, sue for, compound and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all Commercial paper given in payment or part payment thereof, and in Secured Party's discretion to file any claim or take any other action or proceeding that Secured Party, may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral. Unless and until Secured Party elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Secured Party in writing, Debtor shall continue to collect accounts, account for same to Secured Party, and shall not commingle the proceeds of collection of accounts with any funds of the Debtor. In order to assure collection of accounts in which Secured Party has a security interest (or which have been pledged or assigned to Secured Party as applicable) hereunder, Secured Party may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Secured Party may designate, and to open and dispose of such mail and receive the collections of accounts included herewith. Secured Party shall have no duty or obligation whatsoever to collect any account, or to take any other action to preserve or protect the Collateral; however, Debtor releases Secured Party from any claim or claims for loss or damage arising from any act or omission of Secured Party and its officers, directors, employees or agents, should Secured Party elect to collect any account or take any possession of any Collateral.

4. **Identification and Assignment of Accounts.** Upon Secured Party's request, whether before or after default, Debtor shall take such action and execute and deliver such documents as Secured Party may request in order to identify, confirm, mark, segregate and assign accounts and to evidence Secured Party's interest in same. Without limitation of the foregoing Debtor, upon request, agrees to assign accounts to Secured Party, identify and mark accounts as being subject to the security interest (or pledge or assignment as applicable) granted hereby, mark Debtors books and records to reflect such security interests, pledges and assignments, and forthwith to transmit to Secured Party in the form received by Debtor any and all proceeds of collection of such accounts.

5. **Account Reports.** Debtor will deliver to Secured Party, as Lender may require, a written report in form and in content satisfactory to Secured Party, showing a listing and aging of accounts and such other information as Secured Party may request from time to time. Debtor shall immediately notify Secured Party of the assertion by any account debtor of any set-off, defense or claim regarding an account or any other matter adversely affecting any account.

6. **Segregation of Returned Goods.** Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Secured Party, be held separate and apart from any other property. Debtor shall as often as requested by Secured Party, but not less often than weekly, even though no special request has been made, report to Secured Party the appropriate identifying information with respect to any such returned or repossessed goods relating to accounts included in assignments or identifications made pursuant hereto.

7. **Right of Off-Set.** Any deposit or other sums at any time credited by or due from the holder of the Obligations to Debtor or any endorser, guarantor or surety of any of the Obligations and any securities or other property of Debtor or any endorser, guarantor or surety of any of the Obligations in the possession of the holder of the Obligations may at all times be held and treated as additional and cumulative collateral security for the payment of the Obligations and Debtor grants Secured Party a security interest and contractual right of off-set in all such deposits, sums, securities and other properties as additional and cumulative security for payment of the Obligations. The holder of the Obligations may apply to set-off such deposits or other sums against the Obligations at any time in the case of Debtor, but only with respect to matured liabilities in case of the endorsers, guarantors, or sureties of any of the Obligations.

G. ADDITIONAL PROVISIONS REGARDING INVENTORY. The following provisions shall apply to all inventory included within the Collateral:

1. **Inventory Reports.** Debtor will deliver to Secured Party as Secured Party may require, on such frequency as Secured Party may request, a written report in form and content satisfactory to Secured Party, with respect to the preceding month or other applicable period, showing Debtors opening inventory, inventory

acquired, inventory sold, inventory leased, inventory returned, inventory used in Debtor's business, closing inventory, any other inventory not within the preceding categories and such other information as Secured Party may request from time to time. Debtor shall immediately notify Secured Party of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss of depreciation.

2. **Location of Inventory.** Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of its place(s) of business as shown in this Agreement, the places at which inventory is located as shown herein, the location of its chief executive office and the location of the office where it keeps its records as set forth herein. All Collateral will be located at the places of business shown below, as modified by any written notices given pursuant hereto.

3. **Uses of Inventory.** Except as set forth in the loan agreement, unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Secured Party in the event of default or if Secured Party deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may lease or sell that part of the Collateral consisting of inventory provided that all such leases and sales are in the ordinary course of business, and use and consume any raw materials or supplies that are necessary in order to carry on Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

4. **Accounts as Proceeds.** All accounts that are proceeds of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

5. **Protection of Inventory.** Debtor shall take all action necessary to protect and preserve the inventory.

6. **Assignment of Rents and Leases.** Debtor hereby assigns to Secured Party all rents and other benefits derived or to be derived from leases ("Leases") of the inventory now or hereafter existing or entered into, together with all guarantees, amendments, modifications, extensions and renewals thereof (the "Rents"). Prior to a foreclosure by Secured Party of any lien or security interest which Secured Party may now or hereafter hold covering the inventory, this Assignment of Rents is not intended to, and shall not, constitute payment to Secured Party, unless Secured Party terminates Debtor's license to collect the Rents, and then it shall constitute payment only to the extent that prior to foreclosure the Rents are actually received by Secured Party as opposed to constituting a portion of the voluntary payments of principal and interest on the indebtedness evidenced and secured hereby, and are not used for the operation, maintenance or repair of the inventory, or for the payment of costs and expenses in connection therewith. Except as otherwise provided herein, Secured Party shall have the absolute right, power and authority to take any and all actions which Secured Party deems necessary or appropriate in connection with taking possession of the inventory, leasing all or any part of the inventory, collecting all or any of the Rents and enforcing the rights of the lessor under any of the leases, including without limitation, bringing, prosecuting, defending or settling legal proceedings against lessees of the inventory. Notwithstanding anything herein to the contrary, Secured Party shall not be obligated to perform or discharge, and Secured Party does not undertake to perform or discharge, any obligation, duty or liability with respect to the Leases or the Rents under or by reason of this Assignment. This Assignment shall not operate to place responsibility for the control, care, maintenance or repair of the inventory upon Secured Party, or for any dangerous or defective condition of the Inventory, or for any negligence in the arrangement, upkeep, repair, or control of the inventory. Debtor shall retain a revocable license to collect and receive the Rents as the agent of Secured Party, and to retain, use and enjoy such Rents, provided that such revocable license ipso facto terminate without further action by Secured Party and without notice to Debtor upon the occurrence of any default or event of default as defined in any note, deed of trust, security agreement, guaranty, financing statement, fixture filing or other loan documents given to Secured Party by Debtor or any other party in connection with any indebtedness or obligation of Debtor to Secured Party.

7. **Leased Inventory.** Debtor shall (a) observe and perform faithfully every obligation which Debtor is required to perform under the Leases; (b) enforce or secure the performance of, at its sole cost and expense, every obligation to be performed by the lessees under the Leases; (c) not collect any Rents in advance of the time when the same shall be due, or anticipate any payments under any of the Leases, except for bona fide security deposits not in excess of an amount equal to two (2) months Rent; (d) at the request of Secured Party,

deliver copies of Leases to Secured Party; and (e) appear and defend against, at Debtor's sole cost and expense, any action or proceeding arising under, and in any manner connected with the Leases, the Rents or the obligations, duties or liabilities of the lessor, lessee or guarantors thereunder.

H. INTENTIONALLY OMITTED

I. INTENTIONALLY OMITTED

J. EVENTS OF DEFAULT. Debtor shall be in default hereunder upon the happening of any of the following events or conditions: (i) non-payment when due (whether by acceleration of maturity or otherwise) of any payment of principal, interest or other amount due on any Obligations; (ii) the occurrence of any event which under the terms of any evidence of indebtedness, indenture, loan agreement, security agreement or similar instrument permits the acceleration of maturity of any of obligation of Debtor whether to Secured Party or to others; (iii) any representation or warranty made by Debtor and/or others to Secured Party in connection with this Agreement, the Collateral or the Obligations, or in any statements or certificates, proves incorrect in any material respect as of the date of the making or the issuance thereof; (iv) default occurs in the observance or performance of or, if Debtor fails to furnish adequate evidence of performance of, any provision of this Agreement or of any note, assignment, transfer, other agreement, document or instrument delivered by Debtor to Secured Party in connection with this Agreement, the Collateral or the Obligations; (v) death, dissolution, liquidation, termination of existence, insolvency, business failure or winding-up of Debtor, or any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations; (vi) the filing of a petition in bankruptcy by or against, or the application for appointment of a receiver or any other legal custodian for any part of the property of, or the assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy, rearrangement, reorganization, insolvency or similar laws for the relief of Debtors by or against, the Debtor, or any maker, endorser, guarantor, surety or other party primarily or secondarily liable for any of the Obligations; (vii) the Collateral becomes, in the judgment of Secured Party, impaired, unsatisfactory or insufficient in character or value; (viii) the filing of any levy, attachment, execution, garnishment or other process against the Debtor, or any of the Collateral or any maker, endorser, guarantor, surety, or other party liable in any capacity for any of the Obligations, or (ix) the Secured Party in good faith believes that the prospect of repayment or performance of the Obligations or any of the covenants, agreements or other duties under any writing executed in connection herewith is impaired.

K. REMEDIES. Upon the occurrence of an Event of Default, or if Secured Party deems payment or performance of the Obligations to be insecure, Secured Party, at its option, shall be entitled to exercise any one or more of the following remedies (all of which are cumulative):

1. **Declare Obligations Due.** Secured Party, at its option, may declare the Obligations or any part thereof immediately due and payable, without demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, presentment, protest, notice of dishonor, or any other notice whatsoever, all of which are hereby waived by Debtor, the Borrower and any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations.

2. **Remedies.** Secured Party shall have all of the rights and remedies provided for in this Agreement and any other agreements executed by Debtor, the rights and remedies in the Uniform Commercial Code of _____, and any and all rights and remedies at law or in equity, all of which shall be deemed cumulative. Without limiting the foregoing, Debtor agrees that Secured Party shall have the right to: (a) require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party that is reasonably convenient to both parties, which Debtor agrees to do; (b) take possession of the Collateral with or without process of law, and, in this connection, enter any premises where the Collateral is located to remove same, to render it unusable, or to dispose of same on such premises; (c) sell, lease or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risks; and/or (d) whether before or after default, collect and receipt for, compound, compromise, and settle, and give releases, discharges and acquittances, with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of the type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale or of

the time after which any private sale or other disposition will be made. Any requirement of reasonable notice to Debtor shall be met if such notice is mailed, postage prepaid, to Debtor at the address of Debtor designated at the beginning of this Agreement, at least five (5) days before the day of any public sale or at least five (5) days before the time after which any private sale or other disposition will be made.

3. **Expenses.** Debtor shall be liable for and agrees to pay the reasonable expenses incurred by Secured Party in enforcing its rights and remedies, in retaking, holding, testing, repairing, and proving, selling, leasing or disposing of the Collateral, or like expenses, including, without limitation, attorneys fees and legal expenses incurred by Secured Party. These expenses, together with interest thereon from date incurred until paid by Debtor at the maximum contract rate allowed under applicable laws, which Debtor agrees to pay, shall constitute additional Obligations, and shall be secured and entitled to the benefits of this Agreement.

4. **Proceeds; Surplus; Deficiencies.** Proceeds received by Secured Party from disposition of the Collateral shall be applied toward Secured Party's expenses and other Obligations and in such order or manner as Secured Party may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds.

5. **Remedies Cumulative.** The rights and remedies of Secured Party are cumulative and the exercise of any one or more of the rights of remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy. Secured Party may remedy any default and may waive any default without waiving the default remedy or without waiving any other prior or subsequent default.

L. **RELINQUISHMENT OF CERTAIN DEFENSES.** Regarding the enforcement of the security interests and covenants and agreements contained in this Agreement to secure payment of the Obligations, the Debtor covenants and agrees as follows:

1. Secured Party's right of recovery against the Collateral for the Obligations shall be determined as if Debtor were a primary obligor for the payment of the Obligations regardless of whether or not Debtor is in fact primarily liable for all or any part of the Obligations. Debtor specifically agrees that it shall not be necessary or required, in order to enforce the remedies under this Agreement, that the Secured Party have made demand for payment upon the Borrower or any other person or entity liable for any portion of the Obligations or have made protest thereof or have given notice to the Borrower or any other party liable thereon of maturity or nonpayment of the Obligations.

2. The Debtor specifically waives any notice of acceptance of this Agreement by the Secured Party and of the creation, advancement, existence, extension, renewal, modification, consolidation, the rearrangement from time to time of the Obligations, the increase from time to time in the principal amount thereof, the increase or reduction from time to time of the rate of interest thereon, or any indulgence from time to time with respect to the Obligations, or any part thereof, and of nonpayment thereof or default thereon, and waives grace, demand, protest, presentment and notice of demand, protest, and presentment with respect to the Obligations, and waives notice of the amount of the Obligations outstanding at any time, and agrees that the maturity of the Obligations, or any part thereof, may be accelerated, extended, modified, amended or renewed from time to time or any other indulgence may be granted with respect thereto by the Secured Party at its will or as may be agreed by the Borrower without notice to or further consent by the Debtor, at any time or times.

3. The Debtor agrees that: (i) no renewal, extension, modification, consolidation, or rearrangement of or any other indulgence, forbearance or compromise with respect to the Obligations, or any part thereof; (ii) no increase in the principal amount of any of the Obligations; (iii) no increase or reduction of the rate of interest thereon; (iv) no release, withdrawal, substitution, surrender, subordination, exchange, deterioration, waste or other impairment of any security or collateral or guaranty now or hereafter held by the Secured Party for payment of the Obligations, or of any part thereof; (v) no release of the Borrower, any guarantor, or of any other person primarily or secondarily liable on the Obligations, or any part thereof; and (vi) no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security or collateral therefor or under this Agreement shall in any manner impair, diminish or affect the rights of the Secured Party or the liability of the Debtor hereunder. The Debtor specifically agrees that it shall not be necessary or required, and that the Debtor shall not be entitled to require, that the Secured Party mitigate damages, or file suit or proceed to obtain

or assert a claim for personal judgment against the Borrower for the Obligations, or make any effort at collection of the Obligations from the Borrower, or foreclose against or seek to realize upon any security or collateral now or hereafter existing for the Obligations, or file suit or proceed to obtain or assert a claim for personal judgment against any other party (whether maker, guarantor, endorser or surety) liable for the Obligations, or make any effort at collections of the Obligations from any such other party, or exercise or assert any other right or remedy to which the Secured Party is or may be entitled in connection with the Obligations or any security or collateral or other Agreement therefor, or assert or file any claim against the assets or estate of the Borrower or any guarantor or other person liable for the Obligations, or any part thereof, before or as a condition of enforcing the liability of the Debtor under this Agreement or requiring payment of the Obligations by the Debtor hereunder, or at any time thereafter. The Debtor expressly waives any right to the benefit of or to require or control application of any security or collateral or the proceeds of any security or collateral now existing or hereafter obtained by the Secured Party as security for the Obligations, or any part thereof, and agrees that the Secured Party shall have no duty insofar as the Debtor is concerned to apply upon any of the Obligations any monies, payments or other property at any time received by or paid to or in the possession of the Secured Party, except as the Secured Party shall determine in its sole discretion. The Debtor specifically agrees that Debtor shall not have any recourse or action against the Secured Party by reason of any action the Secured Party may take or omit to take in connection with the Obligations, the collection of any sums or amounts herein mentioned, or in connection with any security or collateral or any Guaranty at any time existing therefor.

4. The Debtor agrees to the terms, provisions and conditions of the Note and other instruments evidencing the Obligations and of any renewal, modification, consolidation or rearrangement thereof or other agreements which may have been or may hereafter be executed by the Borrower from time to time evidencing or in connection with the Obligations or any part thereof, and agrees that the Debtor's liability hereunder shall in no manner be affected, reduced, impaired or released by reason of any term, provision or condition of such Note or other agreement or by the failure, refusal or omission of the Secured Party to enforce or observe any of same or any forbearance or compromise made by the Secured Party or any action taken or omitted to be taken by the Secured Party pursuant thereto or in connection therewith. The Debtor, by the execution and delivery of this Agreement agrees, represents, warrants and acknowledges that Debtor shall be bound by the provisions of any Agreement and Security Agreement and any Environmental Certificate and Agreement of even date herewith, from the Borrower to the Secured Party and which purport to be applicable to Debtor to the same extent and with the same effect as if Debtor had executed and delivered such document to the Secured Party. In that connection, the Debtor agrees that the provisions of this Paragraph shall survive any exercise of the power of sale granted in any instrument securing the Obligations, any foreclosure of the liens created by any of the instruments securing the Obligations, any conveyance in lieu of any such foreclosure, the repayment of the Obligations, and the discharge and release of all liens, rights and interests securing payment of the Obligations.

5. The Debtor absolutely and unconditionally covenants and agrees that: (i) in the event that the Borrower does not or is unable to pay or perform the Obligations for any reason including, without limitation, liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment or other similar proceedings affecting the status, composition, identity, existence, assets or Obligations of the Borrower, or the disaffirmance or termination of any of the Obligations in or as a result of any such proceedings; and/or (ii) if all or any part of the Obligations (or any instrument or agreement made or executed in connection therewith) is for any reason found to be invalid, illegal, unenforceable, uncollectible or legally impossible, for any reason whatsoever (including, without limiting the generality of the foregoing, upon the grounds that the payment and/or performance of the Obligations is ultra vires or otherwise without authority, may violate applicable usury laws, is subject to valid defenses, claims or offsets of the Borrower, or any instrument evidencing any of the Obligations is forged or otherwise irregular), then in any such case the Debtor shall pay and perform the Obligations as herein provided and that no such occurrence shall in any way diminish or otherwise affect the Debtor's liabilities hereunder.

6. Should the status, composition, structure or name of the Borrower change, including, but not limited to, by reason of a merger, dissolution, consolidation or reorganization, this Agreement shall continue and also cover the Obligations and Obligations of the Borrower under the new status, composition structure or name according to the terms hereof. If the Borrower is a general or limited partnership, no termination of said partnership, nor withdrawal therefrom or termination of any ownership interest therein owned, by any general or limited partner of such partnership shall alter, limit, terminate, excuse or modify the Debtor's liabilities set forth in this Agreement.

7. In the event any payment from the Borrower to the Secured Party is held to constitute a preference under the bankruptcy laws, or if for any other reason the Secured Party is required to refund such payment or pay the amount thereof to any other party, such payment by the Borrower to the Secured Party shall not constitute a release of the Debtor from any liability hereunder, and this Agreement shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

8. At all times while any or all of the Obligations are now or hereafter secured in whole or in part, the Debtor agrees that the Secured Party may, from time to time, at its discretion, and with or without valuable consideration, allow substitution, withdrawal, release, surrender, exchange, subordination, deterioration, waste, loss or other impairment of all or any part of such security or collateral, without notice to or consent by the Debtor, and without in anywise impairing, diminishing or releasing the liability of the Debtor hereunder.

9. The Debtor waives marshalling of assets and liabilities, sale in inverse order of alienation, and all defenses given to sureties or Debtors at law or in equity other than actual payment of the Obligations and performance of the actions constituting the Obligations, including, but not limited to, any rights pursuant to the laws of _____. The failure by the Secured Party to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of the Borrower or any other person primarily or secondarily liable for the Obligations or of any other or others shall not affect the liability of Debtor hereunder.

M. OTHER AGREEMENTS.

1. **Savings Clause.** Notwithstanding any provision to the contrary herein, or in any of the documents evidencing the Obligations or otherwise relating thereto, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable usury laws. If any such excessive interest is so provided for, then in such event (i) the provisions of this paragraph shall govern and control, (ii) neither the Debtor nor Debtor's heirs, legal representatives, successors or assigns or any other party liable for the payment thereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by law, (iii) any such excess interest that may have been collected shall be, at the option of the holder of the instrument evidencing the Obligations, either applied as a credit against the then unpaid principal amount thereof or refunded to the maker thereof, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful rate under applicable usury laws as now or hereafter construed by the courts having jurisdiction.

2. **Joint and Several Responsibility.** If this Security Agreement is executed by more than one Debtor, the obligations of all such Debtors shall be joint and several.

3. **Waivers.** Debtor and any maker, endorser, guarantor, surety or other party liable in any capacity respecting the Obligations hereby waived demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, presentment, protest, notice of dishonor and any other notice whatsoever.

4. **Severability.** Any provision hereof found to be invalid by courts having jurisdiction shall be invalid only with respect to such provision (only to the extent necessary to avoid such invalidity). The offending provision shall be modified to the minimum extent possible to confer upon Secured Party the benefits intended thereby. Such provision as modified and the remaining provisions hereof shall be construed and enforced to the same extent as if such offending provision (or portion thereof) had not been contained herein, to the maximum extent possible.

5. **Use of Copies.** Any carbon, photographic or other reproduction of any financing statement signed by Debtor is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state. All rights and remedies of Secured Party in all such agreements are cumulative, but in the event of actual conflict in terms and conditions, the terms and conditions of the latest security agreement shall govern and control.

6. **Authorization to File Financing Statements.** The Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of the Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls

within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any organizational identification number issued to the Debtor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Secured Party promptly upon the Secured Party's request. The Debtor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

7. **Notices.** Any notice or demand given by Secured Party to Debtor in connection with this Agreement, the Collateral or the Obligations shall be deemed given and effective upon deposit in the United States mail, postage pre-paid, addressed to Debtor at the address of the Debtor designated at the beginning of this Agreement. Actual notice to Debtor shall always be effective no matter how given or received.

8. **Headings and Gender.** Paragraph headings in this Agreement are for convenience only and shall be given no meaning or significance in interpreting this Agreement. All words used herein shall be construed to be or such gender of number as the circumstances require.

9. **Amendments.** Neither this Agreement nor any of its provisions may be changed, amended, modified, waived or discharged orally, but only by an instrument in writing signed by the party against whom enforcement of the change, amendment, modification, waiver or discharge is sought.

10. **Binding Effect.** The provisions of this Security Agreement shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of Debtor, and the rights, powers and remedies of Secured Party hereunder shall inure to the benefit of the successors and assigns of Secured Party.

11. **Governing Law.** This Security Agreement shall be governed by the law of _____ and applicable federal law.

12. **Statute of Frauds.** THIS COMMERCIAL SECURITY AGREEMENT, THE LOAN AGREEMENT AND ALL DOCUMENTS AND INSTRUMENTS REFERENCED HEREIN OR IN THE LOAN AGREEMENT, OR EXECUTED IN CONNECTION WITH OR ATTACHED TO THE LOAN AGREEMENT, REPRESENT THE FINAL AGREEMENT BETWEEN DEBTOR AND SECURED PARTY, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN DEBTOR AND SECURED PARTY. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN DEBTOR AND SECURED PARTY.

13. **U.S. SMALL BUSINESS ADMINISTRATION PROVISION:**

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.

b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the date first written above.

DEBTOR

EXHIBIT A

See attached equipment list

PARTS INTENTIONALLY OMITTED FROM SECURITY AGREEMENT

UNDER SECTION C. DESCRIPTIONS OF COLLATERAL:

Specific Accounts. A security interest in only those specific accounts and/or contracts listed and described on Exhibit " " attached or which may hereafter be attached hereto, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts or other proceeds of any sale or other disposition of inventory.

All Fixtures. A security interest in all of Debtor's fixtures and appurtenances thereto, whether now existing or hereafter acquired, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all attachments, additions and accessions thereto, and replacements thereof, and articles in substitution therefore, howsoever attached or affixed (together with all tools, parts and equipment now or hereafter added to or used in connection with the foregoing), located on the real property more particularly described on Exhibit " " attached hereto.

Securities. A pledge and assignment of and security interest in the securities described on Exhibit " ", together with all instruments and general intangibles related thereto and all monies, income, proceeds and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new security or other properties or benefits to which the Debtor is or may hereafter become entitled to receive on account of said property.

Certificates of Deposit. A pledge and assignment of and security interest in all of Debtor's interest in and to the certificates of deposit described on Exhibit " " and instruments related thereto, and all renewals or substitutions therefor, together with all monies, income, interest, proceeds and benefits attributable or accruing to said property or to which Debtor is or may hereafter be entitled to receive on account of said property.

Other. A security interest in all of Debtor's interest, now owned or hereafter acquired, in and to the property described below. _____

H. ADDITIONAL PROVISIONS REGARDING SECURITIES AND SIMILAR COLLATERAL. The following provisions shall apply to all securities and similar property included within the Collateral:

1. **Additional Warranties.** As to each and all securities and similar property included within the Collateral (including securities hereafter acquired that are part of the Collateral), Debtor further represents and warrants (as of the time of delivery of same to Secured Party) as follows: (a) such securities are genuine, validly issued and outstanding, fully paid and non-assessable, and are not issued in violation of the preemptive rights of any person or of any agreement by which the issuer or obligor thereof or Debtor is bound; (b) such securities are not subject to any interest, option or right of any third person; (c) such securities are in compliance with applicable law concerning form, content and manner of preparation in execution; and (d) Debtor acquires and holds his securities in compliance with all applicable laws and regulations.

2. **Dividends and Proceeds.** Any and all payments, dividends, other distributions (including stock redemption proceeds), or other securities in respect of or in exchange for the Collateral, whether by way of dividends, stock dividends, recapitalizations, mergers, consolidations, stock splits, combinations or exchanges of shares or otherwise, received by Debtor shall be held by Debtor in trust for Secured Party and Debtor shall immediately deliver same to Secured Party to be held as part of the Collateral. Debtor may retain ordinary cash dividends unless and until Secured Party requests that same be paid and delivered to Secured Party which Secured Party may request either before or after default).

3. **Collections.** Secured Party shall have the right at any time and from time to time (whether before or after default) to notify and direct the issuer or obligor to make all payments, dividends, and distributions regarding the Collateral directly to Secured Party. Secured Party shall have the authority to demand of the issuer or obligor, and to receive and receipt for, any and all payments, dividends, and other distributions payable in respect thereof, regardless of the medium in which paid and whether they are ordinary or extraordinary. Each issuer and obligor making payment to Secured Party hereunder shall be fully protected and relying upon the written statement of Secured Party that it then holds a security interest which entitles it to receive such payment, and the receipt by Secured Party for such payment shall be full acquittance therefor to the one making such payment.

4. **Voting Rights.** Upon default, or if Secured Party deems itself insecure, Secured Party shall have the right, at its discretion, to transfer to or register in the name of Secured Party or any nominee of Secured Party any of the Collateral, and/or to exercise any or all voting rights as to any or all of the Collateral. For such purposes, Debtor hereby names, constitutes and appoints the President or Vice President of Secured Party as Debtor's proxy in the Debtor's name, place and stead to vote any and all of these securities as such proxy may elect, for and in the name, place and stead of Debtor, as to all matters coming before shareholders, such proxy to be irrevocable and deemed coupled with an interest. The rights, powers and authority of said proxy shall remain in full force and effect, and shall not be rescinded, revoked, terminated, amended, or otherwise modified, until all Obligations have been fully satisfied.

5. **No Duty.** Secured Party shall never be liable for its failure to give notice to Debtor of default in the payment of or upon the Collateral. Secured Party shall have no duty to fix or preserve rights against prior parties to the Collateral and shall never be liable for its failure to use diligence to collect any amount payable in respect to the Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. Without limiting the foregoing, it is specifically understood and agreed that Secured Party shall have no responsibility for ascertaining any maturities, cause, conversions, exchanges, offers, tenders or similar matters relating to any of the Collateral or for informing Debtor with respect to any such matters (irrespective of whether Secured Party actually has, or may be deemed to have, knowledge thereof). The foregoing provisions of this paragraph shall be fully applicable to all securities or similar property held in pledge hereunder, irrespective of whether Secured Party may have exercised any right to have such securities or similar property registered in its name or in the name of a nominee.

6. **Further Assurances.** Debtor agrees to execute such stock powers, endorse such instruments, or execute such additional pledge agreements or other documents as may be required by the Secured Party in order effectively to grant to Secured Party the security interest in (and pledge and assignment of) the Collateral and to enforce and exercise Secured Party's rights regarding same.

7. **Securities Laws.** Debtor hereby agrees to cooperate fully with Secured Party in order to permit Secured Party to sell, at foreclosure or other private sale, the Collateral pledged hereunder. Specifically, Debtor agrees to fully comply with the Securities Laws of the United States and of _____ and to take such action as may be necessary to permit Secured Party to sell or otherwise transfer the securities pledged hereunder in compliance with such laws. Without limiting the foregoing, Debtor, at its own expense, upon request by Secured Party, agrees to effect and obtain such registrations, filings, statements, rulings, consents and other matters as Secured Party may request.

8. **Power of Attorney.** Debtor hereby makes, constitutes, and appoints Secured Party or its nominee, its true and lawful attorney in fact and in its name, place and stead, and on its behalf, and for its use and benefit to complete, execute and file with the United States Securities and Exchange Commission one or more notices of proposed sale of securities pursuant to Rule 144 under the Securities Act of 1933 and/or any similar filings or notices with any applicable state agencies and said attorney in fact shall have full power and authority to do, take and perform all and every act and thing whatsoever requisite, proper or necessary to be done in the exercise of the rights and powers herein granted, as fully to all intents and purposes as Debtor might or could do if personally present. This power shall be irrevocable and deemed coupled with an interest. The rights, powers and authority of said attorney in fact herein granted shall commence and be in full force effect from the date of this Agreement, and such rights, powers and authorities shall remain in full force and effect and this power of attorney shall not be rescinded, revoked, terminated, amended or otherwise modified, until all Obligations have been fully satisfied.

9. **Private Sales.** The Securities Act of 1933, as amended, and other laws and regulations may provide legal restrictions or limitations affecting Secured Party in any attempts to dispose of certain portions of the Collateral and/or enforce its rights and remedies hereunder. For these reasons Secured Party is hereby authorized by Debtor, but not obligated, in the event of any default hereunder, to sell all or any part of the Collateral at private sale, subject to investment letter or in any other manner which will not require the Collateral, or any part thereof, to be registered in accordance with the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder, or any other law or regulation. Secured Party is also hereby authorized by Debtor, but not obligated, to take such actions, give such notices, obtain such rulings and consents and do such other things as Secured Party may deem appropriate in the event of a sale or disposition of any of the Collateral. Debtor clearly understands that Secured Party may in its discretion approach a restricted number of potential purchasers and that a sale under such circumstances may yield a lower price for the Collateral or any part or parts thereof than would otherwise be obtainable if same were registered and sold in the open market, and Debtor agrees that such private sales shall constitute a commercially reasonable method of disposing of the Collateral.

I. ADDITIONAL PROVISIONS REGARDING CERTIFICATES OF DEPOSIT AND SIMILAR COLLATERAL. The following provisions shall apply to certificates of deposit and similar property included within the Collateral:

1. **Collection of Deposits.** Debtor agrees that Secured Party may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral whether such have matured or the exercise of Secured Party's rights results in loss of interest or principal or other penalty on such deposits, and, in connection therewith, cause payment to be made directly to Secured Party.

2. **Notice to Third Party Issuer.** With regard to any certificates of deposit or similar collateral for which Secured Party is not the issuer, Debtor agrees to notify the issuer or obligor of the interests hereby granted to Secured Party and to obtain from such issuer or obligor acknowledgment of the interests in favor of Secured Party and the issuer's or obligor's agreement to waive, in favor of Secured Party, any and all rights of set-off or similar rights or remedies to which such issuer or obligor may be entitled, and, in connection therewith, to execute and cause the issuer or obligor to execute any and all acknowledgments, waivers, subordination agreements, and other agreements in such form and upon such terms as Secured Party may request.

3. **Proceeds.** Any and all replacements or renewal certificates, instruments, or other benefits or proceeds related to the Collateral that are received by Debtor shall be held by Debtor in trust for Secured Party and immediately delivered to Secured Party to be held as part of the Collateral.

4. **No Duty.** Secured Party shall never be liable for its failure to give notice to Debtor of Default in the payment of or upon the Collateral. Secured Party shall have no duty to fix or preserve rights against prior parties to the Collateral and shall never be liable for its failure to use diligence to collect any amount payable in respect to the Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. Without limiting the foregoing, it is specifically understood and agreed that Secured Party shall have no responsibility for ascertaining any maturities or similar matters relating to any of Collateral or for informing Debtor with respect to any of such matters (irrespective of whether Secured Party actually has, or may be deemed to have, knowledge thereof).

Prepared by and return to:

Parcel No. _____

MORTGAGE

OPEN-END MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

NOTICE: THIS DOCUMENT SECURES A VARIABLE INTEREST RATE NOTE AND CONTAINS PROVISIONS FOR INCREASES UNDER CERTAIN CIRCUMSTANCES IN THE PRINCIPAL BALANCE OF THE INDEBTEDNESS SECURED HEREBY

THIS MORTGAGE is made on _____, by and between _____, with an address of _____, (the "Mortgagor"), and _____, with an address of _____ (the "Mortgagee").

RECITALS

Mortgagee, has agreed, pursuant to a Loan Agreement of even date herewith (the "Loan Agreement"), and subject to the terms set forth therein, to make a loan to _____ (the "Borrower") in an aggregate amount of _____ (\$ _____) (the "Loan") which is being guaranteed by Mortgagor (the "Guarantee"), the Loan Agreement and Guarantee constituting the consideration for this Mortgage.

Borrower has duly executed a promissory note of even date herewith (the "Note") to evidence the terms of repayment of the Loan with interest at the rate or rates established from time to time in accordance with the terms set forth therein, which Note has been delivered by Borrower to the Mortgagee (the Mortgagee and any assignee or other lawful owner of the Note being hereinafter sometimes called "Mortgagee"). Mortgagor has duly executed the Guarantee to support the obligations of the Borrower to repay the Loan. All references herein to the Note and the obligations arising thereunder shall be deemed to include the Guarantee and all obligations arising under the Guarantee.

All things necessary to make the Note the valid, binding and legal obligation of Mortgagor, and to make this Mortgage a valid, binding and legal instrument for the security of the Note in accordance with its terms, have been duly performed, and the execution and delivery of the Note and this Mortgage by Mortgagor have been in all respects duly authorized.

It has been agreed that the repayment of the Loan with interest, according to the terms of the Note and any alterations, modifications, substitutions, extensions or renewals thereof, as well as the performance of the other covenants, terms and conditions herein, should be secured by the execution of this Mortgage, which also shall secure payment by Mortgagor of all costs and expenses incurred in respect to the Loan, including reasonable attorney's fees as is hereinafter provided.

NOW, THEREFORE, WITNESSETH: in consideration of the premises and of other good and valuable considerations, the receipt of which is hereby acknowledged, Mortgagor mortgages, grants, assigns, conveys and transfers unto the Mortgagee, its successor or successors and assigns, in fee simple,

WITH MORTGAGE COVENANTS, all that land situate in _____ County, _____, being commonly known as _____, _____ and more particularly described in **Exhibit A** attached hereto and made a part hereof (the "Land") and the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repair, replacements and improvements now or hereafter located thereon (hereinafter sometimes called the "Improvements").

TOGETHER with all the walks, fences, shrubbery, driveways, fixtures, equipment, machinery, apparatus, fittings, building materials and other articles of personal property of every kind and nature whatsoever, now or hereafter ordered for eventual delivery to the Land (whether or not delivered thereto), and all such as are now or hereafter located in or upon any interest or estate in the Land or any part thereof and used or usable in connection with any present or future operation of the Land now owned or hereafter acquired by Mortgagor, including, without limiting the generality of the foregoing, all heating, lighting, laundry, clothes washing, clothes drying, incinerating and power equipment, engines, pipes, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communications apparatus, television sets, radio systems, recording systems, computer equipment, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, draperies, curtains, fans, furniture, furnishings, carpeting, linoleum and other floor coverings, screens, storm doors and windows, stoves, gas and electric ranges, refrigerators, garbage disposals, sump pumps, dishwashers, washers, dryers, attached cabinets, partitions, ducts and compressors, landscaping, swimming pools, lawn and garden equipment, security systems and including all equipment installed or to be installed or used or usable in the operation of the building or buildings or appurtenant facilities erected or to be erected in or upon the Land; it being understood that all of the aforesaid shall be deemed to be fixtures and part of the Land, but whether or not of the nature of fixtures they shall be deemed and shall constitute part of the security for the indebtedness herein mentioned and shall be covered by this Mortgage excluding, however, only personal property owned by any tenant actually occupying all or part of the premises. Disposition of any of the aforesaid or of any interest therein is prohibited; however, if any disposition is made in violation hereof, the Mortgagee shall have a security interest in the proceeds therefrom to the fullest extent permitted by the laws of _____; and

TOGETHER with all and singular the rights, alleys, ways, waters, easements, tenements, privileges, advantages, accessions, hereditaments and appurtenances belonging or in any way appertaining to the Land and other property described herein, and the reversions and remainders, earnings, revenues, rents, issues and profits thereof and including any right, title, interest or estate hereafter acquired by Mortgagor in the Land and other property described herein; and

TOGETHER with all the right, title and interest (but not the obligations) of Mortgagor, present and future, in and to all present and future accounts, contract rights (including all fees and other obligations set forth in the Mortgagee's commitment to make the Loan), general intangibles, chattel paper, documents and instruments including but not limited to licenses, construction contracts, service contracts, utility contracts, options, permits, public works agreements, bonds, deposits and payments thereunder, relating or appertaining to the Land and other property described herein and its development, occupancy and use; and

TOGETHER with any right to payment or for services rendered, whether or not yet earned by performance, arising from the operation of the improvements or any other facility on the Land, including, without limitation, (1) all accounts arising from the operation of the improvements and all proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof, and (2) all rights to payment from any consumer credit/charge card organization or entity, including, without limitation, payments arising from the use of the American Express Card, Visa Card, Carte Blanche Card, MasterCard, Diner's Club, or any other credit card, including those now existing or hereinafter created or any substitution therefor and all proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof; and

TOGETHER with all of the rents, royalties, revenues, income, proceeds, profits and other benefits paid or payable by parties to the leases for using, leasing, licensing, possessing, occupying, operating from,

residing in, selling or otherwise enjoying the Land, the Improvements, and other property securing the indebtedness, or any portion thereof. As used in this Mortgage, the word "leases" includes any and all leases, subleases, licenses, concessions, reservations, accounts, permits, contracts, and other agreements (oral or written, now or hereafter in effect) which grant a possessory interest or right of occupancy in and to, or the right to use, or affect all or part of the Land, the improvements, and other property securing the indebtedness, or any portion thereof; and

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Property (hereinafter defined), including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property or any part thereof; and

TOGETHER with all proceeds derived from any taking by condemnation or eminent domain proceedings or transfer in place or in anticipation thereof of all or any part of the property described in these granting clauses;

TO HAVE AND TO HOLD the Land with Improvements thereupon and all the rights, easements, profits and appurtenances and other property described above (all of which is hereinafter sometimes called the "**Property**") belonging unto and to the use of the Mortgagee, and its successor or successors and assigns, in fee simple forever;

BUT for and upon the uses, intents and purposes hereinafter mentioned, that is to say for the benefit and security of Mortgagee and for the enforcement of the payment of all sums secured hereby (hereinafter sometimes called the "**Indebtedness**") and the compliance with the terms, covenants and conditions, in the Note, in the Loan Agreement and in this Mortgage, expressed or implied;

SUBJECT, HOWEVER, to the liens and rights of the holders of the contracts and instruments secured by any instruments that may be described in Exhibit B to this Mortgage (the "**Permitted Encumbrances**");

PROVIDED, HOWEVER, that if Mortgagor shall pay or cause to be paid to Mortgagee all sums secured hereby in the manner stipulated in the Note, the Loan Agreement and this Mortgage, then and in such case, the estate, right, title and interest of the Mortgagee in the Property shall cease, determine and become void, and upon proof being given to the satisfaction of the Mortgagee that the Note has been paid or satisfied, in accordance with its terms and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by the Mortgagee and of any other sums as in this Mortgage provided, the Mortgagee shall at the expense of Mortgagor, release and discharge this Mortgage of record, and shall transfer and deliver up to Mortgagor any property at the time subject to this Mortgage which may be then in their possession, provided the Mortgagee hereunder shall be entitled to a reasonable fee for the release and reconveyance of the Property or any partial release and reconveyance;

AND THIS MORTGAGE FURTHER WITNESSETH, that Mortgagor (jointly and severally if more than one) has covenanted and agreed and does hereby covenant and agree with the Mortgagee as follows:

ARTICLE 1. DEFINITIONS

1.1 **Definitions.** All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth or referred to in the Loan Agreement.

ARTICLE 2. COVENANTS AND AGREEMENTS OF MORTGAGOR

2.1 **Incorporation of Covenants, Conditions and Agreements.** All the covenants, conditions and agreements contained in the Loan Agreement, the Note, and the other Loan Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

2.2 **Title to the Property.** Mortgagor covenants that at the time of the execution and delivery of this Mortgage it has good title to all of the property described in the granting clauses of this Mortgage as being presently granted, assigned, conveyed and transferred hereunder, free and clear of all liens and encumbrances except for the Permitted Encumbrances; Mortgagor hereby does and will forever warrant generally and defend the title to the Property, and every part thereof, whether now owned or hereafter acquired, unto the Mortgagee and its successor or successors in the trust and assigns, against all claims and demands by any person or entity whatsoever; Mortgagor covenants that Mortgagor shall comply with all the terms, covenants and conditions of all agreements and instruments, recorded and unrecorded, affecting the Property; Mortgagor covenants that it has good right and lawful authority to mortgage, give, grant, pledge, assign and convey the Property in the manner and form herein provided.

2.3 **Further Assurances.** At any and all times Mortgagor shall furnish and record all and every such further assurances as may be requisite or as the Mortgagee shall reasonably require for the better assuring and confirming unto the Mortgagee the estate and property hereby granted, assigned, conveyed or transferred, or intended so to be whether now owned or hereafter acquired; Mortgagor shall bear all expenses, charges and taxes in connection therewith.

2.4 **Escrow for Taxes.** To better secure the covenant to pay taxes and fees in the Loan Agreement, Mortgagor agrees that, if Holder so requests, Mortgagor shall deposit with Holder on the day of each month on which a payment of interest is due under the Note, beginning with the month following such request, one-twelfth of the annual taxes next due as estimated by Holder, plus one-twelfth of the annual fire, hazard and other insurance premiums as required herein, such deposit to be held by Holder, without interest, to pay said taxes and premiums. If payments of interest are due under the Note other than monthly, appropriate adjustment shall be made in the amount of the aforesaid periodic deposits.

Any amounts deposited pursuant to the provisions of this Section shall not be, nor be deemed to be, trust funds, nor shall they operate to curtail or reduce the indebtedness secured hereby, and all such amounts may be commingled with the general funds of the depositor and be deposited with Mortgagee or at an institution designated by Mortgagee. Mortgagee shall not be responsible for the solvency of such institution, provided it is insured by the Federal Deposit Insurance Corporation or other regulatory agency at the time of designation. If at any time Mortgagee shall determine that the amount then on deposit shall be insufficient to pay an obligation in full, Mortgagor shall immediately after demand deposit with Mortgagee the amount of the deficiency determined by Mortgagee. Nothing contained in this Section shall be deemed to affect any right or remedy of Mortgagee under any provisions of this Mortgage or of any statute or rule of law to pay any such amount and to add the amount so paid, together with interest at the rate provided for in the Note, to the indebtedness secured hereby.

2.5 **Change in Tax Law.** In the event of the passage after date of this Mortgage of any law changing in any way the laws for the taxation of deeds of trust or debts secured by deeds of trust, or the manner of collection of any such taxation so as to affect this Mortgage, Mortgagee may give thirty (30) days' written notice to Mortgagor requiring the payment of the indebtedness secured hereby. If such notice be given, the indebtedness secured hereby shall become due and payable at the expiration of said thirty (30) days; *provided, however*, that such requirement of payment shall be ineffective if Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty or charge thereby accruing to Mortgagee, and if Mortgagor in fact pays such tax prior to the date upon which payment is required by such notice.

2.6 **Activities on the Property.** Mortgagor shall not suffer any act to be done or any conditions to exist on the Property or any part thereof or any thing or article to be brought thereon (i) which may cause structural injury to the improvements on the Land; or (ii) which would cause the value or usefulness of the Property or any part thereof to diminish (ordinary wear and tear excepted); or (iii) which may be dangerous, unless safeguarded as required by law; or (iv) which may in fact or in law, constitute a nuisance, public or private; or (v) which may void or make voidable any insurance then in force or required by the terms of this Mortgage, the Loan Agreement to be in force.

2.7 **Additional Insurance.** If required by the Mortgagee, in addition to the provisions of and to the extent not so provided by the Loan Agreement, Mortgagor shall at all times maintain during the entire term of this Mortgage the following insurance, in form and substance satisfactory to Mortgagee:

(a) *Workers' Compensation.* During any construction, repair, restoration or replacement of improvements on the Land, Mortgagor shall cause all contractors and subcontractors (including Mortgagor if it acts as a contractor) to obtain and keep in effect workers' compensation insurance to the full extent required by applicable law and also which shall cover all employees of each contractor and subcontractor; upon demand, Mortgagor shall provide evidence satisfactory to Mortgagee that it is complying with this covenant.

All insurance for loss or damage shall provide that losses, if any, shall be payable to Mortgagee, as its interest may appear. Mortgagor will pay the premiums for all insurance and deliver to Mortgagee the policies of insurance or duplicates thereof, or other evidence satisfactory to Mortgagee of such insurance coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to Mortgagee, that (i) it will give Mortgagee thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (ii) the coverage of Mortgagee shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Mortgagor of any warranties, declarations or conditions of such insurance policy or policies. The proceeds of such insurance shall be applied, at Mortgagee's option, toward the replacement, restoration or repair of the Property which may be lost, stolen or destroyed or damaged or toward payment of any indebtedness of Mortgagor to Mortgagee.

2.8 **Additional Advances.** If Mortgagor shall fail to perform any of the covenants or satisfy any of the conditions contained herein, Mortgagee may make advances or payments towards performance or satisfaction of the same but shall be under no obligation so to do; and all sums so advanced or paid shall be at once repayable by Mortgagor and shall bear interest at the Default Rate from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby; but no such advance or payment shall relieve Mortgagor from any default hereunder. If Mortgagor shall fail to perform any of the covenants or satisfy any of the conditions contained herein, Mortgagee may use any funds of Mortgagor towards performance or satisfaction of the same but shall be under no obligation so to do; and no such use of funds shall relieve Mortgagor from any default hereunder.

2.9 **Condemnation Awards.** Should the grade of any street be altered or all or any part of the Property be condemned or taken through eminent domain proceedings, all or such part of any award or proceeds derived therefrom, as Mortgagee in its sole discretion may determine in writing, shall be paid to Mortgagee and applied to the payment of the indebtedness secured hereby (in such manner or combination thereof, including inverse order of maturity of installments of principal, if any, as Mortgagee may, in its sole discretion, elect) and all such proceeds are hereby assigned to Mortgagee.

2.10 **Costs of Defending and Enforcing the Lien.** Mortgagor shall pay all costs, charges and expenses, including appraisals, title examinations, and reasonable attorney's fees, which Mortgagee may incur in defending or enforcing the validity or priority of the legal operation and effect of this Mortgage, or any term, covenant or condition hereof, or in collecting any sum secured hereby, or in protecting the security of Mortgagee including without limitation being a party in any condemnation, bankruptcy or administrative proceedings, or, if an Event of Default shall occur, in administering and executing the trust hereby created and performing their powers, privileges and duties hereunder. Mortgagee may make advances or payments for such purposes but all advances or payments made by Mortgagee for such purposes shall be repayable immediately by Mortgagor and shall bear interest at the Default Rate from the date the same shall become due and payable until the date paid, and any such sum or sums with interest as aforesaid shall become a part of the indebtedness secured hereby; but no such advance or payment shall relieve Mortgagor from any default hereunder.

2.11 **Modification of Terms; No Novation.** Mortgagee may at any time, and from time to time, extend the time for payment of the indebtedness secured hereby, or any part thereof, or interest

thereon, and waive, modify or amend any of the terms, covenants or conditions in the Note, in the Guarantee, in this Mortgage or in any other Loan Document, in whole or in part, either at the request of Mortgagor or of any person having an interest in the Property, accept one or more notes in replacement or substitution of the Note, consent to the release of all or any part of the Property from the legal operation and effect of this Mortgage, take or release other security, release any party primarily or secondarily liable on the Note or hereunder or on such other security, grant extensions, renewals or indulgences therein or herein, apply to the payment of the principal and interest and premium, if any, of the indebtedness secured hereby any part or all of the proceeds obtained by sale or otherwise as provided herein, without resort or regard to other security, or resort to any one or more of the securities or remedies which Mortgagee may have and which in its absolute discretion it may pursue for the payment of all or any part of the indebtedness secured hereby, in such order and in such manner as it may determine, all without in any way releasing Mortgagor or any party secondarily liable from any of the terms, covenants or conditions of the Note, the Guarantee, this Mortgage, or any other Loan Document, or relieving the unreleased Property from the legal operation and effect of this Mortgage for all amounts owing under the Note, the Loan Agreement and this Mortgage. Mortgagee and Mortgagor recognize and agree that the provisions of this Mortgage, the Note, the Guarantee, and any other Loan Document may be modified by them or their successors or assigns at any time before or after default (which modification may involve increasing the rate of interest in the Note, agreeing that other charges should be paid, or modifying any other provision in any such instruments). Mortgagee may extend the time of payment, may agree to alter the terms of payment of the indebtedness, and may grant partial releases of any portion of the property included herein. No such modification by Mortgagee and Mortgagor nor any such action by Mortgagee or the Mortgagor referred to above shall be a substitution or novation of the original indebtedness or instruments evidencing or securing the same, but shall be considered a possible occurrence within the original contemplation of the parties.

2.12 **Governmental Action Affecting the Property.** Mortgagor agrees that in the event of the enactment of any law or ordinance, the promulgation of any zoning or other governmental regulation, or the rendition of any judicial decree restricting or affecting the use of the Property or rezoning the area wherein the same shall be situate which Mortgagee reasonably believes adversely affects the Property, Mortgagee may, upon at least sixty (50) days written notice to Mortgagor, require payment of the indebtedness secured hereby at such time as may be stipulated in such notice, and the whole of the indebtedness secured hereby, shall thereupon become due and payable.

ARTICLE 3. EVENTS OF DEFAULT

The occurrence of one or more of the following events (herein called an "Event of Default") shall constitute and be an Event of Default:

3.1 **Default under Loan Documents.** The occurrence and continuance of an Event of Default under the Loan Agreement, the Note or any other Loan Document shall constitute an Event of Default hereunder. In the event Mortgagee consents to an encumbrance on the Property, a default under the terms of any document creating such an encumbrance shall be a default hereunder.

3.2 **Additional Insurance Obligations.** Mortgagor fails to promptly perform or comply with any of the terms and conditions set forth in subsection 2.7 and such failure continues for ten (10) days after notice from Mortgagee to Mortgagor.

3.3 **Material Obligations.** Mortgagor fails to perform or observe any of its material obligations under this Mortgage and such failure shall continue for a period of thirty (30) days after Mortgagee gives Mortgagor written notice thereof.

3.4 **Judgment.** Unless adequately covered by insurance in the reasonable opinion of Mortgagee, the entry of a final judgment for the payment of money involving more than \$10,000.00 against Mortgagor or any guarantor of the Loan and the failure of Mortgagor or any guarantor of the Loan to cause the same to be discharged or bonded off to the satisfaction of Mortgagee within sixty (60) days from the date the order, decree or process under which or pursuant to which such judgment was entered.

3.5 **Transfer of the Property.** If all or any part of the Property or any interest in the Property is sold, transferred, assigned, conveyed or otherwise disposed of, either outright or as security for an indebtedness, or if there is any change in the ownership of Mortgagor, without Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, declare all the indebtedness secured by this Mortgage to be immediately due and payable and Mortgagee may exercise any or all of the remedies provided in Paragraph 4 hereunder.

ARTICLE 4. REMEDIES

4.1 **Remedies-Acceleration.** If one or more of the Events of Default shall occur, Mortgagee may, at its option, declare the entire unpaid principal amount of the Note (if not already due and payable) to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Note, in the Guarantee, in the Loan Agreement or in this Mortgage to the contrary notwithstanding; and in the event of any sale of all or any part of the Property, whether made under the power of sale herein granted, assent to a decree or through judicial proceedings, such unpaid principal amount shall automatically and without notice become so due and payable. If Mortgagee exercises Mortgagee's option to declare the entire unpaid principal amount of the Note to be due and payable, Mortgagor covenants to pay immediately the full amount of the indebtedness secured hereby even though foreclosure or other court proceedings to collect the indebtedness have not been commenced. Acceleration of maturity, once declared by Mortgagee, may at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee, but the tender and acceptance of partial payments alone shall not rescind or affect in any way such acceleration of maturity.

4.2 **Power of Sale; Assent to Decree and Other Remedies.** If one or more of the Events of Default shall occur and whether or not Mortgagee shall have accelerated the maturity of the indebtedness pursuant to Section 4.1 hereof, Mortgagee, at its option, may:

(a) proceed by suit or suits at law or in equity or by any other appropriate remedy to protect and enforce the rights of Mortgagee whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or to enforce payment of the Note, of the Guarantee, or to foreclose this Mortgage, or to sell the Property under the judgment or decree of a court or courts of competent jurisdiction, or otherwise. Mortgagor, in accordance with any general or local laws or rules or regulations of _____ relating to mortgages including any amendments thereof or supplements thereto which do not materially change or impair the remedy, does hereby declare and assent to the passage of a decree to sell the Property by the equity court having jurisdiction for the sale of the Property, subject to the terms of the decree of court, the same authority and power to sell on the terms and conditions herein set forth. This assent to decree shall not be exhausted in the event the proceeding is dismissed before the indebtedness secured hereby is paid in full;

(b) either with or without entering upon or taking possession of the Property, demand, collect and receive any or all revenues arising out of or in connection with the Property, including, without limitation, all rents;

(c) take possession and assemble such items of the Property as may be designated by Mortgagee and make them available to the Mortgagee at a place reasonably convenient to both parties to be designated by Mortgagee or the Mortgagee. Upon a default under this Mortgage, Mortgagee shall have the right to take possession of such items of the Property as Mortgagee may elect. In taking possession Mortgagee may proceed without judicial process if this can be done without breach of the peace. Mortgagee shall have the further right to remove such items of the Property as it may choose to any location or locations selected by Mortgagee, and Mortgagor shall pay the costs of such removal and for the storage and protection of such items immediately upon demand therefor. If Mortgagee elects to proceed under the _____ Uniform Commercial Code to dispose of some of the Property, the Mortgagee shall give Mortgagor notice by certified mail, postage prepaid, return receipt requested, of the time and place of any public sale of any of such property or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to Mortgagor at least five (5) days before the time of the sale or other disposition, which provisions for notice Mortgagor and the Mortgagee agree are

reasonable; *provided, however*, that nothing herein shall preclude Mortgagee from proceeding as to all the Property in accordance with the rights and remedies of Mortgagee in respect of the real property, as provided in the _____ Uniform Commercial Code, as amended from time to time;

(d) either with or without taking possession of the property, sell, lease or otherwise dispose of the Property in its then condition or following such preparation as Mortgagee deems advisable;

(e) either with or without entering upon or taking possession of the Property and without assuming any obligations of Mortgagor, thereunder, exercise the rights of Mortgagor under, use or benefit from, any of the contracts, leases or intangible property;

(f) may enter and take possession of the Property and may exclude Mortgagor, its agents and servants, wholly therefrom, and having and holding the same, may use, operate, manage and control the Property or any part thereof, and upon every such entry Mortgagee, at the expense of Mortgagor and of the Property, from time to time may make all necessary or proper repairs, renewals, replacements and useful or required alterations, additions, betterments and improvements to and upon the Property as to it may seem judicious and pay all costs and expenses of so taking, holding and managing the same, including reasonable compensation to its employees and other agents (including, without limitation, attorney's fees and management and rental commissions) and any taxes, assessments and other charges prior to the legal operation and effect of this Mortgage which Mortgagee may deem it wise or desirable to pay, and in such case Mortgagee shall have the right to manage the Property and to carry on the business and exercise all rights and powers of Mortgagor, either in the name of Mortgagor, or otherwise, as Mortgagee shall deem advisable; and Mortgagee shall be entitled to collect and receive all rents thereof and therefrom. The taking of possession and collection of rents by Mortgagee shall not be construed to be an affirmation of any lease or acceptance of attornment with respect to any lease of all or any portion of the Property. After deducting the expenses of operating the Property and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments, improvements and all payments which it may be required or may elect to make for taxes or other proper charges on the Property, or any part thereof, as well as just and reasonable compensation for all its employees and other agents (including, without limitation, attorney's fees and management and rental commissions) engaged and employed, the moneys arising as aforesaid shall be applied to the indebtedness secured hereby. Whenever all that is due upon the principal of and interest on the Note and under any of the terms of this Mortgage shall have been paid and all defaults made good, Mortgagee shall surrender possession to Mortgagor. The same right of entry, however, shall exist if any subsequent Event of Default shall occur. Mortgagee may, in person, by agent or by court-appointed receiver, enter upon, take possession of, and maintain full control of the Property in order to perform all acts necessary or appropriate to complete construction of the improvements and to maintain and operate the Property, including, but not limited to, the execution, cancellation or modification of leases, the making of repairs to the Property and the execution or termination of contracts providing for the construction, management or maintenance of the Property, all of such terms as Mortgagee, in its sole discretion, deems proper or appropriate;

(g) proceed by a suit or suits in law or in equity or by other appropriate proceeding to enforce payment of the Note and/or the Guarantee, or the performance of any term, covenant, condition or agreement of this Mortgage and Security Agreement or any of the other Loan Documents, or any other right, and to pursue any other remedy available to it, all as Mortgagee shall determine most effectual for such purposes;

(h) institute and maintain such suits and proceedings as Mortgagee may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or in violation of this Mortgage and Security Agreement, to preserve or protect its interest in the Property and the revenues arising out of or in connection with the Property, and to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that would impair the security hereunder or be prejudicial to the interest of Mortgagee;

(i) apply all or any portion of the Property, or the proceeds thereof, towards (but not necessarily in complete satisfaction of) the indebtedness;

(j) foreclose any and all rights of Mortgagor in and to the Property, whether by sale, entry or in any other manner provided for hereunder or under the laws of _____;

(k) in the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceeding affecting Mortgagor or the creditors or property of Mortgagor, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the entire amount of the indebtedness at the date of the institution of such proceedings and for any additional portion of the indebtedness accruing after such date;

(l) exercise of any right or remedy of mortgagee or secured party under the laws of _____.

4.3 Appointment of a Receiver. Until one or more of the Events of Default shall occur (but not thereafter), Mortgagor shall have possession of the Property and shall have the right to use and enjoy the same and to receive the rents thereof and therefrom. If one or more of the Events of Default shall occur, and without the requirement of any other showing, Mortgagee shall be entitled as a matter of right and to the extent permitted by law, without notice to Mortgagor, and without regard to the adequacy of the security, to the immediate appointment of a receiver of the Property and of the rents thereof and therefrom, in an ex parte proceeding with all such other powers as the court or courts making such appointment shall confer, and the rents thereof and therefrom are hereby assigned to Mortgagee as additional security under this Mortgage. Mortgagor shall deliver to the receiver appointed pursuant to the provisions of this Section, or to Mortgagee in the event of entry pursuant to the terms of the preceding Section, all original records, books, bank accounts, leases, agreements, security deposits of the tenants and all other materials relating to the operation of the Property.

4.4 Foreclosure Sale.

(a) If one or more of the Events of Default shall occur, the Mortgagee shall sell and in the case of default of any purchaser or purchasers shall resell all the Property as an entirety, or in such parcels and in such order as Mortgagee shall in writing request, or, in the absence of such request, as the Mortgagee may determine (Mortgagor hereby waiving for itself and for any person claiming by or through it application of the doctrine of marshalling of assets), at public auction at some convenient place or places in the jurisdiction in the state where the Property is situate, or in such other place or places as may be permitted by law, at such time, in such manner and upon such terms as the Mortgagee may fix and briefly specify in each notice of sale, which notice of sale shall state the time when, and the place where, the same is to be made, shall contain a brief general description of the property to be sold, and shall be sufficiently given if published as frequently and in such publication as may be required by law, and Mortgagee may cause such further public advertisement to be made as they may deem advisable, and any such sale may be adjourned by the Mortgagee by announcement at the time and place appointed for such sale or for such adjourned sale, and, without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned. If one or more leases are entered into or recorded subsequent to the recording of this Mortgage or are otherwise subordinate to this Mortgage, the Mortgagee shall sell, subject to any one or more of such tenancies that are designated and selected by Mortgagee.

(b) Upon the completion of any sale and compliance with all the terms thereof, the Mortgagee shall execute and deliver to the purchaser or purchasers a good and sufficient deed of conveyance, assignment and transfer, lawfully conveying, assigning and transferring the property sold. Payment to the Mortgagee of the entire purchase money shall be full and sufficient discharge of any purchaser or purchasers of the property, sold as aforesaid, for the purchase money; and no such purchaser, or his representatives, successors or assigns, after paying such purchase money and receiving the deed shall be bound to see to the application of such purchase money.

(c) In the case of any sale of the Property or of any part thereof, whether under the power of sale herein granted, assent to decree or through other judicial proceedings, the purchase money,

proceeds and avails thereof, together with any other sums which may then be held as security hereunder or be due under any of the provisions hereof as a part of the Property, shall be applied as follows:

FIRST, to pay all proper costs, charges, fees and expenses, including the fees and costs herein provided for and to pay the costs of appraisals of the Property and the costs of title examination; and to pay or repay to Mortgagee all moneys advanced by them or either of them for taxes, insurance or otherwise, with interest thereon as provided herein; and to pay all taxes due upon the Property at the time of sale; and to pay any other lien or encumbrance prior to the legal operation and effect of this Mortgage unless said sale is made subject to any such taxes or other lien or encumbrance; and to pay a counsel fee of One thousand Five hundred Dollars (\$1,500.00) for conducting the proceedings if without contest, but if legal services are rendered to Mortgagee in connection with any contested matter in the proceedings, then such additional counsel fees and expenses shall be allowed out of the proceeds of sale or sales as the court may deem proper; and to pay additional reasonable counsel fees, if any, incurred as a result of representing Mortgagee's interest in any proceedings on behalf of any Mortgagor before any United States Bankruptcy Court or similar State insolvency proceedings; and also to pay a commission to the auctioneer or other party making the sale equal to five percent (5%) of the gross sale price;

SECOND, to pay whatever may then remain unpaid under the Note and the interest thereon to the date of payment, whether the same shall be due or not, it being agreed that the Note shall, upon such sale being made before the maturity of the Note, be and become immediately due and payable at the election of Mortgagee and to pay all of the indebtedness secured hereby;

THIRD, to pay the remainder of said proceeds, if any, less the expense, if any, of obtaining possession, to Mortgagor or other party lawfully entitled to receive the same, upon the delivery and surrender of possession of the Property sold and conveyed and delivery of all records, books, bank accounts, leases, agreements, security deposits of the tenants and all other material relating to the operation of the Property to the said purchaser or purchasers.

(d) Immediately upon the filing or docketing of suit preliminary to a foreclosure sale of the Property, or any part thereof under this Mortgage, there shall be and become due and owing by Mortgagor, an auctioneer's commission on the total amount of the indebtedness secured hereby equal to two and one-half percent (2 ½%), and Mortgagee shall not be required to receive the principal and interest in satisfaction of the indebtedness secured hereby, but said sale may be proceeded with unless, prior to the day appointed therefor, tender is made of said principal, interest, commissions and all expenses and costs incident to such sale and all other sums that are part of the indebtedness secured hereby.

(e) Mortgagee may bid and become the purchaser at any sale under this Mortgage. If Mortgagee is the purchaser at any such sale, Mortgagee may apply the outstanding indebtedness against all or any portion of the purchase price, including the deposit.

4.5 Collection of Revenues. In connection with the exercise by Mortgagee of the rights and remedies provided for in subsection 4.2(b) hereof:

(a) Mortgagee may notify any tenant, lessee or licensee of the Property, either in the name of the Mortgagee or Mortgagor, to make payment of Revenues directly to Mortgagee or Mortgagor's agents, may advise any person of Mortgagee's interest in and to the revenues arising out of or in connection with the Property and may collect directly from such tenants, lessees and licensees all amounts due on account of such revenues;

(b) At Mortgagee's request, Mortgagor will provide written notification to any or all tenants, lessees and licensees of the property concerning Mortgagee's interest in the revenues arising out of

or in connection with the Property and will request that such tenants, lessees and licensees forward payment thereof directly to Lender;

(c) Mortgagor shall hold any proceeds and collections of any of the revenues arising out of or in connection with the Property in trust for Mortgagee and shall not commingle such proceeds or collections with any other funds of Mortgagor; and

(d) Mortgagor shall deliver all such proceeds to Mortgagee immediately upon the receipt thereof by Mortgagor in the identical form received, but duly endorsed or assigned on behalf of Mortgagor to Mortgagee.

4.6 Use and Occupation of Property. In connection with the exercise of Mortgagee's rights under subsection 4.2(f), Mortgagee may enter upon, occupy, and use all or any part of the Property and may exclude Mortgagor from the Land and the Improvements thereon or portion thereof as may have been so entered upon, occupied, or used. Mortgagee shall not be required to remove any personal Property from the Land and the Improvements upon Mortgagee's taking possession thereof, and may render any personal Property unusable to Mortgagor. In the event Mortgagor manages the Land and the improvements thereon in accordance with subsection 4.2(f) herein, Mortgagor shall pay to Mortgagee on demand a reasonable fee for the management thereof in addition to the indebtedness. Further, Mortgagee may construct such improvements on the Land or make such alterations, renovations, repairs, and replacements to the Improvements, as Mortgagee, in its sole discretion, deems proper or appropriate. The obligation of Mortgagor to pay such amounts and all expenses incurred by Mortgagee in the exercise of its rights hereunder shall be included in the indebtedness and shall accrue interest at the default rate of interest stated in the Note.

4.7 Partial Sales. Mortgagor agrees that in case Mortgagee, in the exercise of the power of sale contained herein or in the exercise of any other rights hereunder given, elects to sell in parts or parcels, said sales may be held from time to time and that the power shall not be exhausted until all of the Property not previously sold shall have been sold, notwithstanding that the proceeds of such sales exceed, or may exceed, the indebtedness.

4.8 Assembly of Property. Upon the occurrence of any Event of Default, Mortgagee may require Mortgagor to assemble the Property and make it available to Mortgagee, at Mortgagor's sole risk and expense, at a place or places to be designated by Mortgagee which are reasonably convenient to both Mortgagee and Mortgagor.

4.9 Power of Attorney. Upon the occurrence of any Event of Default, Mortgagor hereby irrevocably constitutes and appoints Mortgagee as Mortgagor's true and lawful attorney in fact to take any action with respect to the Property to preserve, protect, or realize upon Mortgagee's interest therein, each at the sole risk, cost and expense of Mortgagor, but for the sole benefit of Mortgagee. The rights and powers granted Mortgagee by the within appointment include, but are not limited to, the right and power to: (a) prosecute, defend, compromise, settle, or release any action relating to the Property; (b) endorse the name of Mortgagor in favor of Mortgagee upon any and all checks or other items constituting revenues arising out of or in connection with the Property; (c) sign and endorse the name of Mortgagor on, and to receive as secured party, any of the Property; (d) sign and file or record on behalf of Mortgagor any financing or other statement in order to perfect or protect Mortgagee's security interest; (e) enter into any contracts or agreements relative to, and to take all action deemed necessary in connection with, the construction of any improvements on the Land; (g) manage, operate, maintain or repair the Land and the improvements; and (h) exercise the rights of Mortgagor under any contracts, leases or intangible personal property. Mortgagee shall not be obligated to perform any of such acts or to exercise any of such powers, but if Mortgagee elects so to perform or exercise, Mortgagee shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Mortgagor except for Mortgagee's willful misconduct or gross negligence. All powers conferred upon Mortgagee by this Mortgage and Security Agreement, being coupled with an interest, shall be irrevocable until terminated by a written instrument executed by a duly authorized officer of the Mortgagee.

ARTICLE 5. MISCELLANEOUS

5.1 **Mortgagee.** The Mortgagee shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by them to be genuine and to have been signed by the party or parties purporting to sign the same. The Mortgagee shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistake of law or fact, nor for anything which they may do or refrain from doing in good faith nor generally shall a Mortgagee have any accountability hereunder except for his own individual willful default.

5.2 **Estoppel Certificates.** Mortgagor, upon request, made either personally or by mail, shall, within six (6) days in case the request is made personally, or within ten (10) days after the mailing of such request in case the request is made by mail, certify, by a writing duly acknowledged, to Mortgagee or to any proposed assignee of the Note, the amount of principal and interest then owing on the Note and whether any offsets or defenses exist against the indebtedness secured hereby. At the request of Mortgagee, such certificate shall also contain a statement that Mortgagor knows of no Event of Default nor of any other default which, after notice or lapse of time or both, would constitute an Event of Default, which has occurred and remains uncured as of the date of such certificate, or, if any such Event of Default or other default has occurred and remains uncured as of the date of such certificate, then such certificate shall contain a statement specifying the nature thereof, the time for which the same has continued and the action which Mortgagor has taken or proposes to take with respect thereto.

5.3 **Subrogation.** This Mortgage and the Mortgagee, as additional security, are hereby subrogated to the lien or liens and to the rights of the owners and holders thereof of each and every mortgage, lien or other encumbrance on the Property, or any part thereof, or any claim or demand which is paid or satisfied, in whole or in part, out of the proceeds of the indebtedness secured hereby and the respective liens of said mortgages, liens and other encumbrances and claims and demands shall pass to and be held by the Mortgagee as additional security for the indebtedness to Mortgagee to the same extent that they would have been preserved and would have been passed to and been held by Mortgagee had they each been duly and regularly assigned, transferred, set over and delivered to Mortgagee by separate deed of assignment, notwithstanding the fact the same may be or may have been satisfied and cancelled of record, it being the intention of the parties hereto that the same will be satisfied and cancelled of record at or about the time they are paid or satisfied out of the proceeds of the Loan.

5.4 **Notices.** Unless specifically provided otherwise in this Mortgage or by law, any notice required or permitted by or in connection with this Mortgage shall be in writing and shall be made by facsimile or by hand delivery, by overnight delivery service, or by certified mail, unrestricted delivery, return receipt requested, postage prepaid, addressed to Mortgagee or Mortgagor at the appropriate address set forth above or to such other address as may be hereafter specified by written notice by Mortgagee or Mortgagor. Notice shall be considered given as of the date of the facsimile or the hand delivery, one (1) calendar day after delivery to the overnight delivery service, or three (3) calendar days after the date of mailing, independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish that notice was given as provided herein.

5.5 **Legal Construction.** This Mortgage shall be construed according to the laws of _____ (excluding _____ conflict of laws) and any court of competent jurisdiction of _____ shall have jurisdiction in any proceeding instituted to enforce this Mortgage and any objections to venue are hereby waived.

5.6 **Usury Limitations.** No provision of this Mortgage shall require the payment or permit the collection of interest or other sum in excess of the maximum permitted by applicable law, including a judicial determination. If any excess of interest or other sum in such respect is herein provided for, or shall be adjudicated to be so provided for herein, neither Mortgagor nor its successors or assigns shall be obligated to pay such interest or other sum in excess of the amount permitted by applicable law, including a judicial determination, and the right to demand the payment of any such excess shall be and hereby is waived. The provisions of this Section shall control all other provisions of this Mortgage.

5.7 **Recording.** Mortgagor covenants and agrees to promptly cause all documents required by Mortgagee to be properly recorded or filed, including this Mortgage, and to pay all fees, taxes and expenses incident thereto. Mortgagor shall hold harmless and indemnify Mortgagee against any liability incurred by reason of the imposition of any fee, tax or charge on the making and recording of this Mortgage.

5.8 **Rights of Mortgagee.**

(a) *Rights Not Limited.* The rights, powers, privileges and discretions (hereinafter collectively called the "rights") specifically granted to the Mortgagee and those specifically granted to Mortgagee under this Mortgage are not in limitation of but in addition to those to which they are entitled under any general or local law relating to and mortgages in _____, now or hereafter existing.

(b) *Benefit to Successors and Assigns.* The rights to which Mortgagee may be entitled shall inure to the benefit of its successors and assigns.

(c) *Rights Cumulative.* All the rights of Mortgagee are cumulative and not alternative and may be enforced successively or concurrently.

5.9 **No Waiver.** Failure of Mortgagee to exercise any of their rights shall not impair any of their rights nor be deemed a waiver thereof, and no waiver of any of their rights shall be deemed to apply to any other such rights, nor shall it be effective unless in writing and signed by the party waiving the right. The acceptance by Mortgagee of any partial payment after default or an Event of Default, with or without knowledge of the default or Event of Default, shall not be a waiver of the default or Event of Default unless Mortgagee shall specifically state in writing that the acceptance waives the default or Event of Default or states further conditions which must be satisfied to constitute such a waiver. The failure of Mortgagee to exercise the option for acceleration of maturity, foreclosure, or either, following an Event of Default or to exercise any other option or privilege granted to Mortgagee hereunder in any one or more instances, shall not constitute a waiver of any such default, but such option or privilege shall remain continuously in force.

5.10 **Mutual Waiver of Jury Trial.** Mortgagor and Mortgagee (by acceptance of this Mortgage) each, on behalf of itself and its successors and assigns, WAIVES to the fullest extent permitted by law all right to TRIAL BY JURY of any and all claims between them arising under this Mortgage, the Note, the Loan Agreement, or any other Loan Documents, and any and all claims arising under common law or under any statute of any state or the United States of America, whether any such claims be now existing or hereafter arising, now known or unknown. In making this waiver Mortgagee and Mortgagor acknowledge and agree that any and all claims made by Mortgagee and all claims made against Mortgagee shall be heard by a judge of a court of proper jurisdiction, and shall not be heard by a jury. Mortgagee and Mortgagor acknowledge and agree that THIS WAIVER OF TRIAL BY JURY IS A MATERIAL ELEMENT OF THE CONSIDERATION FOR THIS TRANSACTION. Mortgagee and Mortgagor, with advice of counsel, each acknowledges that it is knowingly and voluntarily waiving a legal right by agreeing to this waiver provision.

5.11 **Waiver by Mortgagor.** Mortgagor waives, on behalf of itself and all persons now or hereafter interested in the Property, all rights under all appraisal, homestead, moratorium, valuation, redemption, exemption, stay, extension and marshalling statutes, laws or equities now or hereafter existing and agrees that no defense based on any thereof will be asserted in any action enforcing this Mortgage.

5.12 **Secondary Market Cooperation.** Mortgagor acknowledges that Mortgagee may (a) sell this Mortgage, the Note and the other Loan Documents to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Mortgage, the Note, the Guarantee and the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets or (d) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter referred to as "**Secondary Market Transactions**"). Mortgagor shall cooperate in good faith with Mortgagee in effecting any such Secondary Market Transaction and shall cooperate in good faith to implement all requirements imposed by any rating agency

involved in any Secondary Market Transaction including, without limitation, all structural or other changes to the Loan, modifications to any documents evidencing or securing the Loan, delivery of opinions of counsel acceptable to the rating agency and addressing such matters as the rating agency may require; provided, however, Mortgagor shall not be required to modify any documents evidencing or securing the Loan which would modify (i) the interest rate payable under the Note, (ii) the stated maturity of the Note, (iii) the amortization of principal of the Note, or (iv) any other material economic term of the Loan. Mortgagor shall provide such information and documents relating to Mortgagor, any guarantor of Mortgagor, the Property and any tenant of the Property as Mortgagee may reasonably request in connection with a Secondary Market Transaction. Mortgagee shall have the right to provide to prospective investors any information in its possession, including, without limitation, financial statements relating to Mortgagor, any guarantor of Mortgagor, the Property and any tenant of the Property. Mortgagor acknowledges that certain information regarding the Loan and the parties thereto and the Property may be included in a private placement memorandum, prospectus or other disclosure documents.

5.13 **Indemnification.** Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any lease. Mortgagor shall indemnify the Mortgagee for and save them harmless from any and all liability arising from any lease or assignment of a lease as security under this Mortgage. Mortgagee shall not have any responsibility for the control, care, management or repair of the Property or be liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or injury or death to any lessee or any other person or entity. The obligations and liabilities of Mortgagor under this paragraph shall survive any termination, satisfaction or assignment of this Mortgage and the exercise by Mortgagee of any of its rights or remedies hereunder including, without limitation, the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure.

5.14 **Binding Effect.** The terms and conditions agreed to by Mortgagor and the covenants of Mortgagor shall be binding upon the personal representatives, successors and assigns of Mortgagor and of each of them, but this provision does not waive any prohibition of assignment or any requirement of consent to an assignment under the other provisions of this Mortgage; any consent to an assignment shall not be consent to any further assignment, each of which must be specifically obtained in writing.

5.15 **Recitals.** The recitals of this Mortgage are incorporated herein and made a part hereof.

5.16 **Number and Gender.** Wherever used herein the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders.

5.17 **Time of Essence.** Time is of the essence of the obligations of Mortgagor in this Mortgage and each and every term, covenant and condition made herein by or applicable to Mortgagor.

5.18 **Captions.** The captions of the Sections of this Mortgage are for the purpose of convenience only and are not intended to be a part of this Mortgage and shall not be deemed to modify, explain, enlarge, or restrict any of the provisions hereof.

5.19. **Severability.** If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid, inoperative or unenforceable to any extent, the remainder of this Mortgage and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be valid, operative and enforceable to the greatest extent permitted by law.

5.20. **Execution of Counterparts.** This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same Mortgage.

5.21. **Security Agreement.** Mortgagor has executed this instrument as a Debtor under the Uniform Commercial Code of the state in which the Property is located. This Mortgage shall constitute and be a security agreement and financing statement under the laws of such state.

ARTICLE 6. ADDITIONAL COVENANTS

6.1 Leases of the Property.

6.1.1 **Compliance with Leases.** Mortgagor shall carry out all of its agreements and covenants as landlord contained in any leases (which word when used in this Mortgage shall include, without limitation, all agreements, licenses, contracts, reservations, accounts, and permits affecting all or any part of the Property) and not permit a lien or other encumbrance superior to such leases other than this Mortgage. No lease shall include any space, or grant to any tenant any right or interest in any area outside of the limits of the Property. Upon demand of Mortgagee, Mortgagor shall furnish Mortgagee an executed copy of each lease immediately upon its execution. All future leases shall be written on the standard form accepted by Mortgagee, with only such changes as Mortgagee shall have approved in writing or on a lease agreement approved by Mortgagee.

6.1.2 **Assignment of Leases.** Mortgagor hereby grants, conveys, assigns, and transfers unto the Mortgagee, for the benefit of Mortgagee, all the right, title, interest and privileges which Mortgagor has or may hereafter have in any and all of said leases now existing or hereafter made affecting all or a part of the Property, as said leases may have been or may from time to time be hereafter modified, extended or renewed with all the rents (which word when used in this Mortgage shall include, without limitation, all income and profits) due and becoming due therefrom and including without limitation the right of Mortgagee to inspect the leased areas and books and records of tenants. Mortgagor shall, upon written request by Mortgagee, execute assignments (in any form customarily used by Mortgagee) of any present or future leases, together with the rents due and becoming due therefrom, which affect in any way all or any part of the Property. No such assignment made or required hereby shall be construed as a consent by Mortgagee to any lease or to impose on Mortgagee any obligation with respect thereto. Mortgagor shall not make any other assignment, hypothecation or pledge of any rents under any lease of part or all of the Property. Mortgagor shall not, without the prior written approval of Mortgagee, cancel any of the leases, nor terminate or accept a surrender thereof, nor reduce the payment of rent thereunder, nor modify any of said leases, nor accept any prepayment of rent other than the usual prepayment as would result from the acceptance by landlord more than fifteen (15) days before the first day of each month for the ensuing month under leases approved by Mortgagee according to the terms of such leases. The covenants and restrictions of this subsection shall be deemed covenants and restrictions running with the land.

6.1.3 **Limitation on Subordinate Liens.** Mortgagor covenants that Mortgagee of any subordinate lien shall have no right, and shall acquire no right, to terminate or modify any lease affecting the Property whether or not such lease is subordinate to the legal operation and effect of this Mortgage.

6.1.4 **Deposit of Rents.** All payments, including security deposits, under any lease received by Mortgagor shall be deemed held by Mortgagor in trust for the payment of the indebtedness secured hereby. Mortgagor shall deposit in a non-interest bearing account or accounts with Mortgagee all payments (except security deposits made under residential leases, if any) made under all leases, which sums, subject to the rights of the tenants therein, may be used by Mortgagor in the ordinary course of Mortgagor's business to the extent permitted by law, until one or more of the Events of Default shall occur, but not thereafter.

6.1.5 **Assignment of Bankruptcy Awards.** Mortgagor hereby assigns to the Mortgagee any award made hereafter to it in any court procedure involving any of the tenants in any bankruptcy, insolvency or reorganization proceeding in any state or federal court and any and all payments by any tenant in lieu of rent.

6.1.6 **Limitation of Liability under Leases.** The Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any lease; and Mortgagor hereby agrees to indemnify the Mortgagee for and to save them harmless from, any and all liability arising from any lease, or this assignment thereof and this assignment shall not place the responsibility for the control, care, management or repair of the Property upon the Mortgagee, nor make

said Mortgagee liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, agent, guest, or stranger.

6.1.7 Security Deposits. Mortgagor shall deposit in an account or accounts with Mortgagee or its designee, under the depository's standard program for such accounts, all security deposits made under residential leases which sums, subject to the rights of the tenants therein, may be used by Mortgagor in the ordinary course of Mortgagor's business to the extent permitted by law, until one or more of the Events of Default shall occur, but not thereafter. All such deposits shall be the continuing responsibility of Mortgagor, and Mortgagor shall comply with all applicable requirements of state and local law where the Property is located.

6.2 Environmental Covenants.

6.2.1 No Substances Present. Mortgagor hereby represents and warrants to Mortgagee that, after a due and diligent investigation, to the best of its knowledge, there are not now and have never been any materials or substances located on or near the Property that, under federal, state, or local law, statute, ordinance, or regulation, or administrative or court order or decree, or private agreement (collectively, the "**Environmental Laws**"), are regulated as to use, generation, collection, storage, treatment, or disposal (such materials or substances are hereinafter collectively referred to as "**Substances**"). The term "Substances" includes any materials or substances whose release or threatened release may pose a risk to human health or the environment or impairment of property values and shall also include without limitation (i) asbestos in any form, (ii) urea formaldehyde foam insulation, (iii) paint containing lead, (iv) transformers or other equipment which contains dielectric fluid containing levels of polychlorinated biphenyls of 50 parts per million or more, and (v) petroleum in any form. Mortgagor further represents and warrants to Mortgagee that the Property is not now being used nor has it ever been used in the past for any activities involving the use, generation, collection, storage, treatment, or disposal of any Substances. Mortgagor will not place or permit to be placed any Substances on or near the Property except for those Substances that are typically used in the operation of Mortgagor's business provided the same are in appropriately small quantities and are stored, used, and disposed of properly; or Substances that are approved in writing by Mortgagee.

6.2.2 Acting Upon Presence of Substances. Mortgagor hereby covenants and agrees that, if at any time (i) Substances are spilled, emitted, disposed, or leaked in any amount; or (ii) it is determined that there are Substances located on, in, or under the Property other than those of which Mortgagee has approved in writing or which are permitted to be used on the Property without Mortgagee's written approval pursuant to subsection 6.2.1 of this Section, Mortgagor shall immediately notify Mortgagee and any authorities required by law to be notified, and shall, within thirty (30) days thereafter or sooner if required by Mortgagee or any governmental authority, take or cause to be taken, at Mortgagor's sole expense, such action as may be required by Mortgagee or any governmental authority. If Mortgagor shall fail to take such action, Mortgagee may make advances or payments towards performance or satisfaction of the same but shall be under no obligation so to do; and all sums so advanced or paid, including all sums advanced or paid in connection with any investigation or judicial or administrative proceeding relating thereto, including, without limitation, reasonable attorneys' fees, expert fees, fines, or other penalty payments, shall be at once repayable by Mortgagor and shall bear interest at the Default Rate, from the date advanced or paid by Mortgagee until the date paid by Mortgagor to Mortgagee, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby.

6.2.3 Environmental Audits. Mortgagor, promptly upon the written request of Mortgagee from time to time, shall provide Mortgagee, at Mortgagor's expense, from time to time with an environmental site assessment or environmental audit report, or an update of such an assessment or report, all in scope, form, and content satisfactory to Mortgagee.

6.2.4 Environmental Notices. Mortgagor shall furnish to Mortgagee duplicate copies of all correspondence, notices, or reports it receives from any federal, state, or local agency or any other person regarding environmental matters or Substances at or near the Property, immediately upon Mortgagor's receipt thereof.

6.2.5 **Condition of Property.** Mortgagor hereby represents and warrants that there are no wells or septic tanks on the Property serving any other property; no wells or septic tanks on other property serving the Property; no burial grounds, archeological sites, or habitats of endangered or threatened species on the Property; and that no part of the Property is subject to tidal waters; has been designated as wetlands by any federal, state, or local law or governmental agency; or is located in a special flood hazard area.

6.2.6 **Environmental Indemnity.**

6.2.6.1 Mortgagor shall at all times indemnify and hold harmless Mortgagee against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Mortgagee, whether as beneficiary of this Mortgage, as mortgagee in possession, or as successor-in-interest to Mortgagor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder, with respect to:

(a) any discharge of Substances, the threat of a discharge of any Substances, or the presence of any Substances affecting the Property whether or not the same originates or emanates from the Property or any contiguous real estate including any loss of value of the Property as a result of any of the foregoing;

(b) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws;

(c) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Property; and/or

(d) any other environmental matter affecting the Property within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local environmental agency.

Mortgagor's obligations under this Agreement shall arise upon the discovery of the presence of any Substance, whether or not the Environmental Protection Agency, any other federal agency or any state or local environmental agency has taken or threatened any action in connection with the presence of any Substances.

7. **U.S. SMALL BUSINESS ADMINISTRATION PROVISION:**

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

a) **When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.**

b) **Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.**

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed on its behalf and its seal to be hereunto affixed as of the date first above written.

Notary Acknowledgment

EXHIBIT A

PROPERTY DESCRIPTION

EXHIBIT B

PERMITTED ENCUMBRANCES

and more particularly described in Exhibit A attached hereto and made a part hereof (the "**Land**") and the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repair, replacements and improvements now or hereafter located thereon (hereinafter sometimes called the "**Improvements**").

TOGETHER with all the walks, fences, shrubbery, driveways, fixtures, equipment, machinery, apparatus, fittings, building materials and other articles of personal property of every kind and nature whatsoever, now or hereafter ordered for eventual delivery to the Land (whether or not delivered thereto), and all such as are now or hereafter located in or upon any interest or estate in the Land or any part thereof and used or usable in connection with any present or future operation of the Land now owned or hereafter acquired by Grantor, including, without limiting the generality of the foregoing, all heating, lighting, laundry, clothes washing, clothes drying, incinerating and power equipment, engines, pipes, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communications apparatus, television sets, radio systems, recording systems, computer equipment, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, draperies, curtains, fans, furniture, furnishings, carpeting, linoleum and other floor coverings, screens, storm doors and windows, stoves, gas and electric ranges, refrigerators, garbage disposals, sump pumps, dishwashers, washers, dryers, attached cabinets, partitions, ducts and compressors, landscaping, swimming pools, lawn and garden equipment, security systems and including all equipment installed or to be installed or used or usable in the operation of the building or buildings or appurtenant facilities erected or to be erected in or upon the Land; it being understood that all of the aforesaid shall be deemed to be fixtures and part of the Land, but whether or not of the nature of fixtures they shall be deemed and shall constitute part of the security for the indebtedness herein mentioned and shall be covered by this Deed of Trust. Disposition of any of the aforesaid or of any interest therein is prohibited; however, if any disposition is made in violation hereof, the Trustee shall have a security interest in the proceeds therefrom to the fullest extent permitted by the laws of _____; and

TOGETHER with all and singular the rights, alleys, ways, waters, easements, tenements, privileges, advantages, accessions, hereditaments and appurtenances belonging or in any way appertaining to the Land and other property described herein, and the reversions and remainders, earnings, revenues, rents, issues and profits thereof and including any right, title, interest or estate hereafter acquired by Grantor in the Land and other property described herein; and

TOGETHER with all the right, title and interest (but not the obligations) of Grantor, present and future, in and to all present and future accounts, contract rights (including all fees and other obligations set forth in the Lender's commitment to make the Loan), general intangibles, chattel paper, documents and instruments including but not limited to licenses, construction contracts, service contracts, utility contracts, options, permits, public works agreements, bonds, deposits and payments thereunder, relating or appertaining to the Land and other property described herein and its development, occupancy and use; and

TOGETHER with any right to payment for services rendered, whether or not yet earned by performance, arising from the operation of the improvements or any other facility on the Land, including, without limitation, (1) all accounts arising from the operation of the improvements and all proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof, and (2) all rights to payment from any consumer credit/charge card organization or entity, including, without limitation, payments arising from the use of the American Express Card, Visa Card, Carte Blanche Card, MasterCard, Diner's Club, or any other credit card, including those now existing or hereinafter created or any substitution therefor and all proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof; and

TOGETHER with all of the rents, royalties, revenues, income, proceeds, profits and other benefits paid or payable by parties to the leases for using, leasing, licensing, possessing, occupying, operating from, residing in, selling or otherwise enjoying the Land, the improvements, and other property securing the indebtedness, or any portion thereof. As used in this Deed of Trust, the word "leases" includes any and all leases, subleases, licenses, concessions, reservations, accounts, permits, contracts, and other agreements (oral or written, now or hereafter in effect) which grant a possessory interest or right of occupancy in and to, or the right to use, or affect all or part of the Land, the improvements, and other property securing the indebtedness, or any portion thereof; and

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Property (hereinafter defined), including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property or any part thereof; and

TOGETHER with all proceeds derived from any taking by condemnation or eminent domain proceedings or transfer in place or in anticipation thereof of all or any part of the property described in these granting clauses;

TO HAVE AND TO HOLD the Land with improvements thereupon and all the rights, easements, profits and appurtenances and other property described above (all of which is hereinafter sometimes called the "**Property**") belonging unto and to the use of the Trustee, and their and each of their successor or successors in the trust and assigns, in fee simple forever;

BUT IN TRUST, NEVERTHELESS, for and upon the uses, intents and purposes hereinafter mentioned, that is to say for the benefit and security of Holder and for the enforcement of the payment of all sums secured hereby (hereinafter sometimes called the "**Indebtedness**") and the compliance with the terms, covenants and conditions, in the Note, in the Loan Agreement and in this Deed of Trust, expressed or implied;

SUBJECT, HOWEVER, to the superior liens and rights of the holders of the contracts and instruments secured by any instruments that may be described in Exhibit B to this Deed of Trust (the "**Permitted Encumbrances**");

PROVIDED, HOWEVER, that if Grantor shall pay or cause to be paid to Holder all sums secured hereby in the manner stipulated in the Note, the Loan Agreement and this Deed of Trust, then and in such case, the estate, right, title and interest of the Trustee in the Property shall cease, determine and become void, and upon proof being given to the satisfaction of the Trustee that the Note has been paid or satisfied, in accordance with its terms and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by the Trustee and of any other sums as in this Deed of Trust provided, the Trustee shall, upon receipt of the written request of Holder, and at the expense of Grantor, release and discharge this Deed of Trust of record, and shall transfer and deliver up to Grantor any property at the time subject to this Deed of Trust which may be then in their possession, provided the Trustee hereunder shall be entitled to a fee of Twenty Dollars (\$20.00) each for the release and reconveyance of the Property or any partial release and reconveyance;

AND THIS DEED OF TRUST FURTHER WITNESSETH, that Grantor (jointly and severally if more than one) has covenanted and agreed and does hereby covenant and agree with the Trustee and with Holder as follows:

ARTICLE I. DEFINITIONS

1.1 **Definitions.** All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth or referred to in the Loan Agreement.

ARTICLE II. COVENANTS AND AGREEMENTS OF GRANTOR

2.1 **Incorporation of Covenants, Conditions and Agreements.** All the covenants, conditions and agreements contained in the Loan Agreement, the Note and the other Loan Documents are hereby made a part of this Deed of Trust to the same extent and with the same force as if fully set forth herein.

2.2 **Title to the Property.** Grantor covenants that at the time of the execution and delivery of this Deed of Trust it has good title to all of the property described in the granting clauses of this Deed of Trust as being presently granted, assigned, conveyed and transferred hereunder, free and clear of all liens and encumbrances except for the Permitted Encumbrances; Grantor hereby does and will forever warrant generally and defend the title to the Property, and every part thereof, whether now owned or hereafter acquired, unto the Trustee and their or each of their successor or successors in the trust and assigns, against all claims and demands by any person or entity whatsoever; Grantor covenants that Grantor shall comply with all the terms, covenants and conditions of all agreements and instruments, recorded and unrecorded, affecting the Property; Grantor covenants that it has good right and lawful authority to mortgage, give, grant, pledge, assign and convey the Property in the manner and form herein provided.

2.3 **Further Assurances.** At any and all times Grantor shall furnish and record all and every such further assurances as may be requisite or as the Trustee shall reasonably require for the better assuring and confirming unto the Trustee the estate and property hereby granted, assigned, conveyed or transferred, or intended so to be whether now owned or hereafter acquired; Grantor shall bear all expenses, charges and taxes in connection therewith.

2.4 **Escrow for Taxes.** To better secure the covenant to pay taxes and fees in the Loan Agreement, Grantor agrees that, if Holder so requests, Grantor shall deposit with Holder on the day of each month on which a payment of interest is due under the Note, beginning with the month following such request, one-twelfth of the annual taxes next due as estimated by Holder, plus one-twelfth of the annual fire, hazard and other insurance premiums as required herein, such deposit to be held by Holder, without interest, to pay said taxes and premiums. If payments of interest are due under the Note other than monthly, appropriate adjustment shall be made in the amount of the aforesaid periodic deposits.

Any amounts deposited pursuant to the provisions of this Section shall not be, nor be deemed to be, trust funds, nor shall they operate to curtail or reduce the indebtedness secured hereby, and all such amounts may be commingled with the general funds of the depositor and be deposited with Holder or at an institution designated by Holder. Holder shall not be responsible for the solvency of such institution, provided it is insured by the Federal Deposit Insurance Corporation or other regulatory agency at the time of designation. If at any time Holder shall determine that the amount then on deposit shall be insufficient to pay an obligation in full, Grantor shall immediately after demand deposit with Holder the amount of the deficiency determined by Holder. Nothing contained in this Section shall be deemed to affect any right or remedy of Holder under any provisions of this Deed of Trust or of any statute or rule of law to pay any such amount and to add the amount so paid, together with interest at the rate provided for in the Note, to the indebtedness secured hereby.

2.5 **Change in Tax Law.** In the event of the passage after date of this Deed of Trust of any law changing in any way the laws for the taxation of deeds of trust or debts secured by deeds of trust, or the manner of collection of any such taxation so as to affect this Deed of Trust, Holder may give thirty (30) days' written notice to Grantor requiring the payment of the indebtedness secured hereby. If such notice be given, the indebtedness secured hereby shall become due and payable at the expiration of said thirty (30) days; *provided, however*, that such requirement of payment shall be ineffective if Grantor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty or charge thereby accruing to Holder, and if Grantor in fact pays such tax prior to the date upon which payment is required by such notice.

2.6 **Activities on the Property.** Grantor shall not suffer any act to be done or any conditions to exist on the Property or any part thereof or any thing or article to be brought thereon (i) which may cause structural injury to the improvements on the Land; or (ii) which would cause the value or usefulness of the Property or any part thereof to diminish (ordinary wear and tear excepted); or (iii) which may be dangerous, unless safeguarded as required by law; or (iv) which may in fact or in law, constitute a nuisance, public or private; or (v) which may void or make voidable any insurance then in force or required by the terms of this Deed of Trust, the Loan Agreement to be in force.

2.7 **Additional Insurance.** In addition to the provisions of and to the extent not so provided by the Loan Agreement, Grantor shall at all times maintain during the entire term of this Deed of Trust the following insurance, in form and substance satisfactory to Holder.

(a) **Workers' Compensation.** During any construction, repair, restoration or replacement of improvements on the Land, Grantor shall cause all contractors and subcontractors (including Grantor if it acts as a contractor) to obtain and keep in effect workers' compensation insurance to the full extent required by applicable law and also which shall cover all employees of each contractor and subcontractor; upon demand, Grantor shall provide evidence satisfactory to Holder that it is complying with this covenant. All insurance for loss or damage shall provide that losses, if any, shall be payable to Holder, as its interest may appear. Grantor will pay the premiums for all insurance and deliver to Holder the policies of insurance or duplicates thereof, or other evidence satisfactory to Holder of such insurance coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to Holder, that (i) it will give Holder thirty (30) days'

prior written notice of the effective date of any material alteration or cancellation of such policy; and (ii) the coverage of Holder shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Grantor of any warranties, declarations or conditions of such insurance policy or policies. The proceeds of such insurance shall be applied, at Holder's option, toward the replacement, restoration or repair of the Property which may be lost, stolen or destroyed or damaged or toward payment of any indebtedness of Grantor to Holder.

2.8 **Additional Advances.** If Grantor shall fail to perform any of the covenants or satisfy any of the conditions contained herein, Holder may make advances or payments towards performance or satisfaction of the same but shall be under no obligation so to do; and all sums so advanced or paid shall be at once repayable by Grantor and shall bear interest at the Default Rate from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby; but no such advance or payment shall relieve Grantor from any default hereunder. If Grantor shall fail to perform any of the covenants or satisfy any of the conditions contained herein, Holder may use any funds of Grantor towards performance or satisfaction of the same but shall be under no obligation so to do; and no such use of funds shall relieve Grantor from any default hereunder.

2.9 **Condemnation Awards.** Should the grade of any street be altered or all or any part of the Property be condemned or taken through eminent domain proceedings, all or such part of any award or proceeds derived therefrom, as Holder in its sole discretion may determine in writing, shall be paid to Holder and applied to the payment of the indebtedness secured hereby (in such manner or combination thereof, including inverse order of maturity of installments of principal, if any, as Holder may, in its sole discretion, elect) and all such proceeds are hereby assigned to Holder.

2.10 **Costs of Defending and Enforcing the Lien.** Grantor shall pay all costs, charges and expenses, including appraisals, title examinations, and reasonable attorney's fees, which Holder or the Trustee may incur in defending or enforcing the validity or priority of the legal operation and effect of this Deed of Trust, or any term, covenant or condition hereof, or in collecting any sum secured hereby, or in protecting the security of Holder including without limitation being a party in any condemnation, bankruptcy or administrative proceedings, or, if an Event of Default shall occur, in administering and executing the trust hereby created and performing their powers, privileges and duties hereunder. Holder or the Trustee may make advances or payments for such purposes but all advances or payments made by Holder or the Trustee for such purposes shall be repayable immediately by Grantor and shall bear interest at the Default Rate from the date the same shall become due and payable until the date paid, and any such sum or sums with interest as aforesaid shall become a part of the indebtedness secured hereby; but no such advance or payment shall relieve Grantor from any default hereunder.

2.11 **Modification of Terms; No Novation.** Holder may at any time, and from time to time, extend the time for payment of the indebtedness secured hereby, or any part thereof, or interest thereon, and waive, modify or amend any of the terms, covenants or conditions in the Note, in this Deed of Trust or in any other Loan Document, in whole or in part, either at the request of Grantor or of any person having an interest in the Property, accept one or more notes in replacement or substitution of the Note, consent to the release of all or any part of the Property from the legal operation and effect of this Deed of Trust (and the Trustee may so release), take or release other security, release any party primarily or secondarily liable on the Note or hereunder or on such other security, grant extensions, renewals or indulgences therein or herein, apply to the payment of the principal and interest and premium, if any, of the indebtedness secured hereby any part or all of the proceeds obtained by sale or otherwise as provided herein, without resort or regard to other security, or resort to any one or more of the securities or remedies which Holder may have and which in its absolute discretion it may pursue for the payment of all or any part of the indebtedness secured hereby, in such order and in such manner as it may determine, all without in any way releasing Grantor or any party secondarily liable from any of the terms, covenants or conditions of the Note, this Deed of Trust, or any other Loan Document, or relieving the unreleased Property from the legal operation and effect of this Deed of Trust for all amounts owing under the Note, the Loan Agreement and this Deed of Trust. Holder and Grantor recognize and agree that the provisions of this Deed of Trust, the Note, and any other Loan Document may be modified by them or their successors or assigns at any time before or after default (which modification may involve increasing the rate of interest in the Note, agreeing that other charges should be paid, or modifying any other provision in any such instruments). The Trustee acting pursuant to the written direction of Holder may extend the time of payment, may agree to alter the terms of payment of the indebtedness, and may grant partial releases of any portion of the property included herein. No such modification by Holder and Grantor nor any such action by Holder

or the Trustee referred to above shall be a substitution or novation of the original indebtedness or instruments evidencing or securing the same, but shall be considered a possible occurrence within the original contemplation of the parties.

2.12 **Governmental Action Affecting the Property.** Grantor agrees that in the event of the enactment of any law or ordinance, the promulgation of any zoning or other governmental regulation, or the rendition of any judicial decree restricting or affecting the use of the Property or rezoning the area wherein the same shall be situated which Holder reasonably believes adversely affects the Property, Holder may, upon at least sixty (60) days' written notice to Grantor, require payment of the indebtedness secured hereby at such time as may be stipulated in such notice, and the whole of the indebtedness secured hereby, shall thereupon become due and payable.

ARTICLE III. EVENTS OF DEFAULT

The occurrence of one or more of the following events (herein called an "Event of Default") shall constitute and be an Event of Default:

3.1 **Default under Loan Documents.** The occurrence and continuance of an Event of Default under the Loan Agreement, the Note, or any other Loan Document shall constitute an Event of Default hereunder. In the event Holder consents to an encumbrance on the Property, a default under the terms of any document creating such an encumbrance shall be a default hereunder.

3.2 **Additional Insurance Obligations.** Grantor fails to promptly perform or comply with any of the terms and conditions set forth in subsection 2.7 and such failure continues for ten (10) days after notice from Holder to Grantor.

3.3 **Material Obligations.** Grantor fails to perform or observe any of its material obligations under this Deed of Trust and such failure shall continue for a period of thirty (30) days after Holder gives Grantor written notice thereof.

3.4 **Judgment.** Unless adequately covered by insurance in the reasonable opinion of Holder, the entry of a final judgment for the payment of money involving more than \$10,000.00 against Grantor or any guarantor of the Loan and the failure of Grantor or any guarantor of the Loan to cause the same to be discharged or bonded off to the satisfaction of Holder within sixty (60) days from the date the order, decree or process under which or pursuant to which such judgment was entered.

ARTICLE IV. REMEDIES

4.1 **Power of Sale; Assent to Decree.** If one or more of the Events of Default shall occur, the Trustee are authorized and shall have the power and the duty at the direction of Holder to proceed by suit or suits at law or in equity or by any other appropriate remedy to protect and enforce the rights of Holder whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or to enforce payment of the Note, or to foreclose this Deed of Trust, or to sell the Property under the judgment or decree of a court or courts of competent jurisdiction, or otherwise. Grantor, in accordance with any general or local laws or rules or regulations of the _____ relating to mortgages and deeds of trust including any amendments thereof or supplements thereto which do not materially change or impair the remedy, does hereby declare and assent to the passage of a decree to sell the Property by the equity court having jurisdiction for the sale of the Property and the Trustee appointed by such decree of court shall have, subject to the terms of the decree of court, the same authority and power to sell on the terms and conditions herein set forth, and for such purposes the word "Trustee" shall be deemed to include the Trustee so appointed. This assent to decree shall not be exhausted in the event the proceeding is dismissed before the indebtedness secured hereby is paid in full.

4.2 **Acceleration.** If one or more of the Events of Default shall occur, Holder may, at its option, declare the entire unpaid principal amount of the Note (if not already due and payable) to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Note, in the Loan Agreement or in this Deed of Trust to the contrary notwithstanding; and in the event of any sale of all or any part of the Property, whether made under the power of sale herein granted, assent to a decree or

through judicial proceedings, such unpaid principal amount shall automatically and without notice become so due and payable. If Holder exercises Holder's option to declare the entire unpaid principal amount of the Note to be due and payable, Grantor covenants to pay immediately the full amount of the indebtedness secured hereby even though foreclosure or other court proceedings to collect the indebtedness have not been commenced. Acceleration of maturity, once declared by Holder, may at the option of Holder, be rescinded by written acknowledgment to that effect by Holder, but the tender and acceptance of partial payments alone shall not rescind or affect in any way such acceleration of maturity.

4.3 Possession of the Property. If one or more of the Events of Default shall occur, Grantor shall, upon demand, forthwith surrender the actual possession, and, to the extent permitted by law, Holder, by such officers or agents as it may appoint, may enter and take possession of the Property and may exclude Grantor, its agents and servants, wholly therefrom, and having and holding the same, may use, operate, manage and control the Property or any part thereof, and upon every such entry Holder, at the expense of Grantor and of the Property, from time to time may make all necessary or proper repairs, renewals, replacements and useful or required alterations, additions, betterments and improvements to and upon the Property as to it may seem judicious and pay all costs and expenses of so taking, holding and managing the same, including reasonable compensation to its employees and other agents (including, without limitation, attorney's fees and management and rental commissions) and any taxes, assessments and other charges prior to the legal operation and effect of this Deed of Trust which Holder may deem it wise or desirable to pay, and in such case Holder shall have the right to manage the Property and to carry on the business and exercise all rights and powers of Grantor, either in the name of Grantor, or otherwise, as Holder shall deem advisable; and Holder shall be entitled to collect and receive all rents thereof and therefrom. The taking of possession and collection of rents by Holder shall not be construed to be an affirmation of any lease or acceptance of attornment with respect to any lease of all or any portion of the Property. After deducting the expenses of operating the Property and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments, improvements and all payments which it may be required or may elect to make for taxes or other proper charges on the Property, or any part thereof, as well as just and reasonable compensation for all its employees and other agents (including, without limitation, attorney's fees and management and rental commissions) engaged and employed, the moneys arising as aforesaid shall be applied to the indebtedness secured hereby. Whenever all that is due upon the principal of and interest on the Note and under any of the terms of this Deed of Trust shall have been paid and all defaults made good, Holder shall surrender possession to Grantor. The same right of entry, however, shall exist if any subsequent Event of Default shall occur.

4.4 Appointment of a Receiver. Until one or more of the Events of Default shall occur (but not thereafter), Grantor shall have possession of the Property and shall have the right to use and enjoy the same and to receive the rents thereof and therefrom. If one or more of the Events of Default shall occur, and without the requirement of any other showing, Holder shall be entitled as a matter of right and to the extent permitted by law, without notice to Grantor, and without regard to the adequacy of the security, to the immediate appointment of a receiver of the Property and of the rents thereof and therefrom, in an ex parte proceeding with all such other powers as the court or courts making such appointment shall confer; and the rents thereof and therefrom are hereby assigned to Holder as additional security under this Deed of Trust. Grantor shall deliver to the receiver appointed pursuant to the provisions of this Section, or to Holder in the event of entry pursuant to the terms of the preceding Section, all original records, books, bank accounts, leases, agreements, security deposits of the tenants and all other materials relating to the operation of the Property.

4.5 Possession and Disposition of Personal Property.

(a) If one or more of the Events of Default shall occur, Holder may at its discretion require Grantor to assemble such items of the Property as may be designated by Holder and make them available to the Trustee at a place reasonably convenient to both parties to be designated by Holder or the Trustee. Upon a default under this Deed of Trust, Holder shall have the right to take possession of such items of the Property as Holder may elect. In taking possession Holder may proceed without judicial process if this can be done without breach of the peace. Holder shall have the further right to remove such items of the Property as it may choose to any location or locations selected by Holder, and Grantor shall pay the costs of such removal and for the storage and protection of such items immediately upon demand therefor.

(b) If Holder elects to direct the Trustee to proceed under the _____ Uniform Commercial Code to dispose of some of the Property, the Trustee shall give Grantor notice by certified mail, postage prepaid, return receipt requested, of the time and place of any public sale of any of such property or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to Grantor at least five (5) days before the time of the sale or other disposition, which provisions for notice Grantor and the Trustee agree are reasonable; provided, however, that nothing herein shall preclude Holder and the Trustee from proceeding as to all the Property in accordance with the rights and remedies of Holder and the Trustee in respect of the real property, as provided in the _____ Uniform Commercial Code, as amended from time to time.

4.6 Foreclosure Sale.

(a) If one or more of the Events of Default shall occur, the Trustee, at the direction of Holder, shall sell and in the case of default of any purchaser or purchasers shall resell all the Property as an entirety, or in such parcels and in such order as Holder shall in writing request, or, in the absence of such request, as the Trustee may determine (Grantor hereby waiving for itself and for any person claiming by or through it application of the doctrine of marshalling of assets), at public auction at some convenient place or places in the jurisdiction in the where the Property is situate, or in such other place or places as may be permitted by law, at such time, in such manner and upon such terms as the Trustee may fix and briefly specify in each notice of sale, which notice of sale shall state the time when, and the place where, the same is to be made, shall contain a brief general description of the property to be sold, and shall be sufficiently given if published as frequently and in such publication as may be required by law, and Holder or the Trustee may cause such further public advertisement to be made as they may deem advisable, and any such sale may be adjourned by the Trustee by announcement at the time and place appointed for such sale or for such adjourned sale, and, without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned. If one or more leases are entered into or recorded subsequent to the recording of this Deed of Trust or are otherwise subordinate to this Deed of Trust, the Trustee shall sell, at the direction of Holder, subject to any one or more of such tenancies that are designated and selected by Holder.

(b) Upon the completion of any sale and compliance with all the terms thereof, the Trustee shall execute and deliver to the purchaser or purchasers a good and sufficient deed of conveyance, assignment and transfer, lawfully conveying, assigning and transferring the property sold. Payment to the Trustee of the entire purchase money shall be full and sufficient discharge of any purchaser or purchasers of the property, sold as aforesaid, for the purchase money; and no such purchaser, or his representatives, successors or assigns, after paying such purchase money and receiving the deed shall be bound to see to the application of such purchase money.

(c) In the case of any sale of the Property or of any part thereof, whether under the power of sale herein granted, assent to decree or through other judicial proceedings, the purchase money, proceeds and avails thereof, together with any other sums which may then be held as security hereunder or be due under any of the provisions hereof as a part of the Property, shall be applied as follows:

FIRST, to pay all proper costs, charges, fees and expenses, including the fees and costs herein provided for and to pay the costs of appraisals of the Property and the costs of title examination; and to pay or repay to Holder or the Trustee all moneys advanced by them or either of them for taxes, insurance or otherwise, with interest thereon as provided herein; and to pay all taxes due upon the Property at the time of sale; and to pay any other lien or encumbrance prior to the legal operation and effect of this Deed of Trust unless said sale is made subject to any such taxes or other lien or encumbrance; and to pay a counsel fee of One thousand five hundred Dollars (\$1,500.00) for conducting the proceedings if without contest, but if legal services are rendered to Trustee or to Holder in connection with any contested matter in the proceedings, then such additional counsel fees and expenses shall be allowed out of the proceeds of sale or sales as the court may deem proper; and to pay additional reasonable counsel fees, if any, incurred as a result of representing Holder's interest in any proceedings on behalf of any Grantor before any United States Bankruptcy Court or similar State insolvency proceedings; and also to pay a commission to the Trustee or other party making the sale equal to five percent (5%) of the gross sale price; and

also to pay a commission to the auctioneer conducting the sale of three percent (3%) of the gross sale price;

SECOND, to pay whatever may then remain unpaid under the Note and the interest thereon to the date of payment, whether the same shall be due or not, it being agreed that the Note shall, upon such sale being made before the maturity of the Note, be and become immediately due and payable at the election of Holder and to pay all of the indebtedness secured hereby;

THIRD, to pay the remainder of said proceeds, if any, less the expense, if any, of obtaining possession, to Grantor or other party lawfully entitled to receive the same, upon the delivery and surrender of possession of the Property sold and conveyed and delivery of all records, books, bank accounts, leases, agreements, security deposits of the tenants and all other material relating to the operation of the Property to the said purchaser or purchasers.

(d) Immediately upon the filing or docketing of suit preliminary to a foreclosure sale of the Property, or any part thereof under this Deed of Trust, there shall be and become due and owing by Grantor, a Trustee' commission on the total amount of the indebtedness secured hereby equal to two and one-half percent (2-1/2%), and an auctioneer's commission on the total amount of the indebtedness of one percent (1%), and Holder shall not be required to receive the principal and interest in satisfaction of the indebtedness secured hereby, but said sale may be proceeded with unless, prior to the day appointed therefor, tender is made of said principal, interest, commissions and all expenses and costs incident to such sale and all other sums that are part of the indebtedness secured hereby.

(e) Holder may bid and become the purchaser at any sale under this Deed of Trust. If Holder is the purchaser at any such sale, Holder may apply the outstanding indebtedness against all or any portion of the purchase price, including the deposit.

ARTICLE V. MISCELLANEOUS

5.1 Trustee.

(a) *Actions of Trustee.* The Trustee shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by them to be genuine and to have been signed by the party or parties purporting to sign the same. The Trustee shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistake of law or fact, nor for anything which they may do or refrain from doing in good faith nor generally shall a Trustee have any accountability hereunder except for his own individual willful default.

(b) *Trustee as Attorneys.* The Trustee may act hereunder and may sell and convey the Property as herein provided although the Trustee have been, may now be or may hereafter be, attorneys or agents of any Holder, in respect of any matter or business whatsoever.

(c) *Substitution of Trustee.* Holder shall be entitled to remove, substitute, or add a Trustee or Trustee, at its option, with or without cause or notice, by instrument duly executed, acknowledged and recorded among the Land Records of the city or county in the where this Deed of Trust is recorded, and thereupon such additional or successor Trustee or Trustee, without any further act, deed or conveyance, shall become vested with all the estates, property, title, rights, powers, privileges, discretions, trusts, duties and obligations of his or their co-Trustee, or predecessor or predecessors in the trust hereunder with like effect as if originally named as Trustee or Trustee hereunder; exercise of said power, no matter how often, shall not be an exhaustion thereof.

(d) *Incapacity or Absence From State.* It is further understood and agreed that in the event of the disability of one of the Trustee, or of such Trustee's absence from the , the rights, powers, privileges, discretions, duties, obligations, and trust hereby created and reposed in the Trustee may be executed by the other Trustee or Trustee with the same legal force, effect and virtue as though executed by both or all of them.

5.2 **Estoppel Certificates.** Grantor, upon request, made either personally or by mail, shall, within six (6) days in case the request is made personally, or within ten (10) days after the mailing of such request in case the request is made by mail, certify, by a writing duly acknowledged, to Holder or to any proposed assignee of the Note, the amount of principal and interest then owing on the Note and whether any offsets or defenses exist against the indebtedness secured hereby. At the request of Holder, such certificate shall also contain a statement that Grantor knows of no Event of Default nor of any other default which, after notice or lapse of time or both, would constitute an Event of Default, which has occurred and remains uncured as of the date of such certificate, or, if any such Event of Default or other default has occurred and remains uncured as of the date of such certificate, then such certificate shall contain a statement specifying the nature thereof, the time for which the same has continued and the action which Grantor has taken or proposes to take with respect thereto.

5.3 **Subrogation.** This Deed of Trust and the Trustee, as additional security, are hereby subrogated to the lien or liens and to the rights of the owners and holders thereof of each and every mortgage, lien or other encumbrance on the Property, or any part thereof, or any claim or demand which is paid or satisfied, in whole or in part, out of the proceeds of the indebtedness secured hereby and the respective liens of said mortgages, liens and other encumbrances and claims and demands shall pass to and be held by the Trustee as additional security for the indebtedness to Holder to the same extent that they would have been preserved and would have been passed to and been held by Holder had they each been duly and regularly assigned, transferred, set over and delivered to Holder by separate deed of assignment, notwithstanding the fact the same may be or may have been satisfied and cancelled of record, it being the intention of the parties hereto that the same will be satisfied and cancelled of record at or about the time they are paid or satisfied out of the proceeds of the Loan.

5.4 **Notices.** Unless specifically provided otherwise in this Deed of Trust or by law, any notice required or permitted by or in connection with this Deed of Trust shall be in writing and shall be made by facsimile or by hand delivery, by overnight delivery service, or by certified mail, unrestricted delivery, return receipt requested, postage prepaid, addressed to Holder or Grantor at the appropriate address set forth below or to such other address as may be hereafter specified by written notice by Holder or Grantor. Notice shall be considered given as of the date of the facsimile or the hand delivery, one (1) calendar day after delivery to the overnight delivery service, or three (3) calendar days after the date of mailing, independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish that notice was given as provided herein.

5.5 **Legal Construction.** This Deed of Trust shall be construed according to the laws of the _____ (excluding conflict of laws) and any court of competent jurisdiction of the _____ shall have jurisdiction in any proceeding instituted to enforce this Deed of Trust and any objections to venue are hereby waived.

5.6 **Usury Limitations.** No provision of this Deed of Trust shall require the payment or permit the collection of interest or other sum in excess of the maximum permitted by applicable law, including a judicial determination. If any excess of interest or other sum in such respect is herein provided for, or shall be adjudicated to be so provided for herein, neither Grantor nor its successors or assigns shall be obligated to pay such interest or other sum in excess of the amount permitted by applicable law, including a judicial determination, and the right to demand the payment of any such excess shall be and hereby is waived. The provisions of this Section shall control all other provisions of this Deed of Trust.

5.7 **Recording.** Grantor covenants and agrees to promptly cause all documents required by Holder to be properly recorded or filed, including this Deed of Trust, and to pay all fees, taxes and expenses incident thereto. Grantor shall hold harmless and indemnify Holder against any liability incurred by reason of the imposition of any fee, tax or charge on the making and recording of this Deed of Trust.

5.8 **Rights of Holder and Trustee.**

(a) *Rights Not Limited.* The rights, powers, privileges and discretions (hereinafter collectively called the "rights") specifically granted to the Trustee and those specifically granted to Holder under this Deed of Trust are not in limitation of but in addition to those to which they are entitled under any general or local law relating to deeds of trust and mortgages in the , now or hereafter existing.

(b) *Benefit to Successors and Assigns.* The rights to which Holder may be entitled shall inure to the benefit of its successors and assigns.

(c) *Rights Cumulative.* All the rights of Holder and of the Trustee are cumulative and not alternative and may be enforced successively or concurrently.

5.9 **No Waiver.** Failure of Holder or of the Trustee to exercise any of their rights shall not impair any of their rights nor be deemed a waiver thereof, and no waiver of any of their rights shall be deemed to apply to any other such rights, nor shall it be effective unless in writing and signed by the party waiving the right. The acceptance by Holder of any partial payment after default or an Event of Default, with or without knowledge of the default or Event of Default, shall not be a waiver of the default or Event of Default unless Holder shall specifically state in writing that the acceptance waives the default or Event of Default or states further conditions which must be satisfied to constitute such a waiver. The failure of Holder to exercise the option for acceleration of maturity, foreclosure, or either, following an Event of Default or to exercise any other option or privilege granted to Holder hereunder in any one or more instances, shall not constitute a waiver of any such default, but such option or privilege shall remain continuously in force.

5.10 **Mutual Waiver of Jury Trial.** Grantor and Holder (by acceptance of this Deed of Trust) each, on behalf of itself and its successors and assigns, WAIVES to the fullest extent permitted by law all right to TRIAL BY JURY of any and all claims between them arising under this Deed of Trust, the Note, the Loan Agreement, or any other Loan Documents, and any and all claims arising under common law or under any statute of any state or the United States of America, whether any such claims be now existing or hereafter arising, now known or unknown. In making this waiver Holder and Grantor acknowledge and agree that any and all claims made by Holder and all claims made against Holder shall be heard by a judge of a court of proper jurisdiction, and shall not be heard by a jury. Holder and Grantor acknowledge and agree that THIS WAIVER OF TRIAL BY JURY IS A MATERIAL ELEMENT OF THE CONSIDERATION FOR THIS TRANSACTION. Holder and Grantor, with advice of counsel, each acknowledges that it is knowingly and voluntarily waiving a legal right by agreeing to this waiver provision.

5.11 **Waiver by Grantor.** Grantor waives, on behalf of itself and all persons now or hereafter interested in the Property, all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension and marshalling statutes, laws or equities now or hereafter existing and agrees that no defense based on any thereof will be asserted in any action enforcing this Deed of Trust. Grantor represents and covenants that the Property forms no part of any property owned, used or claimed by Grantor as a business or residential homestead or as exempt from forced sale and disclaims and renounces all and every such claim thereto.

5.12 **Secondary Market Cooperation.** Grantor acknowledges that Holder may (a) sell this Deed of Trust, the Note and the other Loan Documents to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Deed of Trust, the Note, and the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets or (d) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter referred to as "Secondary Market Transactions"). Grantor shall cooperate in good faith with Holder in effecting any such Secondary Market Transaction and shall cooperate in good faith to implement all requirements imposed by any rating agency involved in any Secondary Market Transaction including, without limitation, all structural or other changes to the Loan, modifications to any documents evidencing or securing the Loan, delivery of opinions of counsel acceptable to the rating agency and addressing such matters as the rating agency may require; provided, however, Grantor shall not be required to modify any documents evidencing or securing the Loan which would modify (i) the interest rate payable under the Note, (ii) the stated maturity of the Note, (iii) the amortization of principal of the Note, or (iv) any other material economic term of the Loan. Grantor shall provide such information and documents relating to Grantor, any guarantor of Grantor, the Property and any tenant of the Property as Holder may reasonably request in connection with a Secondary Market Transaction. Holder shall have the right to provide to prospective investors any information in its possession, including, without limitation, financial statements relating to Grantor, any guarantor of Grantor, the Property and any tenant of the Property. Grantor acknowledges that certain information regarding the Loan and the parties thereto and the Property may be included in a private placement memorandum, prospectus or other disclosure documents.

5.13 **Indemnification.** Neither the Trustee nor Holder shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Grantor under any lease. Grantor shall indemnify the Trustee and Holder for and save them harmless from any and all liability arising from any lease or assignment of a lease as security under this Deed of Trust. Neither the Trustee nor Holder shall have any responsibility for the control, care, management or repair of the Property or be liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or injury or death to any lessee or any other person or entity. The obligations and liabilities of Grantor under this paragraph shall survive any termination, satisfaction or assignment of this Deed of Trust and the exercise by Holder of any of its rights or remedies hereunder including, without limitation, the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure.

5.14 **Binding Effect.** The terms and conditions agreed to by Grantor and the covenants of Grantor shall be binding upon the personal representatives, successors and assigns of Grantor and of each of them, but this provision does not waive any prohibition of assignment or any requirement of consent to an assignment under the other provisions of this Deed of Trust; any consent to an assignment shall not be consent to any further assignment, each of which must be specifically obtained in writing.

5.15 **Recitals.** The recitals of this Deed of Trust are incorporated herein and made a part hereof.

5.16 **Number and Gender.** Wherever used herein the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders.

5.17 **Time of Essence.** Time is of the essence of the obligations of Grantor in this Deed of Trust and each and every term, covenant and condition made herein by or applicable to Grantor.

5.18 **Captions.** The captions of the Sections of this Deed of Trust are for the purpose of convenience only and are not intended to be a part of this Deed of Trust and shall not be deemed to modify, explain, enlarge, or restrict any of the provisions hereof.

5.19 **Severability.** If any provision of this Deed of Trust or the application thereof to any person or circumstance shall be invalid, inoperative or unenforceable to any extent, the remainder of this Deed of Trust and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be valid, operative and enforceable to the greatest extent permitted by law.

5.20 **Execution of Counterparts.** This Deed of Trust may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same Deed of Trust.

5.21 **Security Agreement.** Grantor has executed this instrument as a Debtor under the Uniform Commercial Code of the state in which the Property is located. This Deed of Trust shall constitute and be a security agreement and financing statement under the laws of such state.

5.22 **Due On Sale.** Without the prior written consent of Lender, Grantor will abstain from and will not cause or permit any sale, exchange, transfer, lease or conveyance (herein all called "transfer") of all or any part of the Property, or any interest in it, voluntarily or by operation of law. If all or any part of the Property or an interest therein is sold or transferred without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable.

5.23 **U.S. SMALL BUSINESS ADMINISTRATION PROVISION:**

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

a) **When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.**

b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

ARTICLE VI. ADDITIONAL COVENANTS

6.1 Leases of the Property

6.1.1 *Compliance with Leases.* Grantor shall carry out all of its agreements and covenants as landlord contained in any leases (which word when used in this Deed of Trust shall include, without limitation, all agreements, licenses, contracts, reservations, accounts, and permits affecting all or any part of the Property) and not permit a lien or other encumbrance superior to such leases other than this Deed of Trust. No lease shall include any space, or grant to any tenant any right or interest in any area outside of the limits of the Property. Upon demand of Holder, Grantor shall furnish Holder an executed copy of each lease immediately upon its execution. All future leases shall be written on the standard form accepted by Holder, with only such changes as Holder shall have approved in writing or on a lease agreement approved by Holder.

6.1.2 *Assignment of Leases.* Grantor hereby grants, conveys, assigns, and transfers unto the Trustee, for the benefit of Holder, all the right, title, interest and privileges which Grantor has or may hereafter have in any and all of said leases now existing or hereafter made affecting all or a part of the Property, as said leases may have been or may from time to time be hereafter modified, extended or renewed with all the rents (which word when used in this Deed of Trust shall include, without limitation, all income and profits) due and becoming due therefrom and including without limitation the right of Holder to inspect the leased areas and books and records of tenants. Grantor shall, upon written request by Holder or the Trustee, execute assignments (in any form customarily used by Holder) of any present or future leases, together with the rents due and becoming due therefrom, which affect in any way all or any part of the Property. No such assignment made or required hereby shall be construed as a consent by Trustee or Holder to any lease or to impose on Trustee or Holder any obligation with respect thereto. Grantor shall not make any other assignment, hypothecation or pledge of any rents under any lease of part or all of the Property. Grantor shall not, without the prior written approval of Holder, cancel any of the leases, nor terminate or accept a surrender thereof, nor reduce the payment of rent thereunder, nor modify any of said leases, nor accept any prepayment of rent other than the usual prepayment as would result from the acceptance by landlord more than fifteen (15) days before the first day of each month for the ensuing month under leases approved by Holder according to the terms of such leases. The covenants and restrictions of this subsection shall be deemed covenants and restrictions running with the land.

6.1.3 *Limitation on Subordinate Lienors.* Grantor covenants that Holder of any subordinate lien shall have no right, and shall acquire no right, to terminate or modify any lease affecting the Property whether or not such lease is subordinate to the legal operation and effect of this Deed of Trust.

6.1.4 *Deposit of Rents.* All payments, including security deposits, under any lease received by Grantor shall be deemed held by Grantor in trust for the payment of the indebtedness secured hereby. Grantor shall deposit in a non-interest bearing account or accounts with Holder all payments (except security deposits made under residential leases, if any) made under all leases, which sums, subject to the rights of the tenants therein, may be used by Grantor in the ordinary course of Grantor's business to the extent permitted by law, until one or more of the Events of Default shall occur, but not thereafter.

6.1.5 *Assignment of Bankruptcy Awards.* Grantor hereby assigns to the Trustee for the benefit of Holder any award made hereafter to it in any court procedure involving any of the tenants in any bankruptcy, insolvency or reorganization proceeding in any state or federal court and any and all payments by any tenant in lieu of rent.

6.1.6 *Limitation of Liability under Leases.* Neither the Trustee nor Holder shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Grantor under any lease; and Grantor hereby agrees to indemnify the Trustee and Holder for and to save them harmless from, any and all liability arising from any lease, or this assignment thereof and this assignment shall not place the responsibility for the control, care, management or repair of the Property upon the Trustee or Holder, nor make said Trustee or Holder liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, agent, guest, or stranger.

6.1.7 *Security Deposits.* Grantor shall deposit in an account or accounts with Holder or its designee, under the depository's standard program for such accounts, all security deposits made under residential leases which sums, subject to the rights of the tenants therein, may be used by Grantor in the ordinary course of Grantor's business to the extent permitted by law, until one or more of the Events of Default shall occur, but not thereafter. All such deposits shall be the continuing responsibility of Grantor, and Grantor shall comply with all applicable requirements of applicable law where the Property is located.

6.2 Environmental Covenants

6.2.1 *No Substances Present.* Grantor hereby represents and warrants to Holder that there are not now and have never been any materials or substances located on or near the Property that, under federal, state, or local law, statute, ordinance, or regulation, or administrative or court order or decree, or private agreement (collectively, the "Environmental Laws"), are regulated as to use, generation, collection, storage, treatment, or disposal (such materials or substances are hereinafter collectively referred to as "Substances"). The term "Substances" includes any materials or substances whose release or threatened release may pose a risk to human health or the environment or impairment of property values and shall also include without limitation (i) asbestos in any form, (ii) urea formaldehyde foam insulation, (iii) paint containing lead, (iv) transformers or other equipment which contains dielectric fluid containing levels of polychlorinated biphenyls of 50 parts per million or more, and (v) petroleum in any form. Grantor further represents and warrants to Holder that the Property is not now being used nor has it ever been used in the past for any activities involving the use, generation, collection, storage, treatment, or disposal of any Substances. Grantor will not place or permit to be placed any Substances on or near the Property except for those Substances that are typically used in the operation of Grantor's business provided the same are in appropriately small quantities and are stored, used, and disposed of properly; or Substances that are approved in writing by Holder.

6.2.2 *Acting Upon Presence of Substances.* Grantor hereby covenants and agrees that, if at any time (i) Substances are spilled, emitted, disposed, or leaked in any amount; or (ii) it is determined that there are Substances located on, in, or under the Property other than those of which Holder has approved in writing or which are permitted to be used on the Property without Holder's written approval pursuant to subsection 6.2.1 of this Section, Grantor shall immediately notify Holder and any authorities required by law to be notified, and shall, within thirty (30) days thereafter or sooner if required by Holder or any governmental authority, take or cause to be taken, at Grantor's sole expense, such action as may be required by Holder or any governmental authority. If Grantor shall fail to take such action, Holder may make advances or payments towards performance or satisfaction of the same but shall be under no obligation so to do; and all sums so advanced or paid, including all sums advanced or paid in connection with any investigation or judicial or administrative proceeding relating thereto, including, without limitation, reasonable attorneys' fees, expert fees, fines, or other penalty payments, shall be at once repayable by Grantor and shall bear interest at the Default Rate, from the date advanced or paid by Holder until the date paid by Grantor to Holder, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby.

6.2.3 *Environmental Audits.* Grantor, promptly upon the written request of Holder from time to time, shall provide Holder, at Grantor's expense, from time to time with an environmental site assessment or environmental audit report, or an update of such an assessment or report, all in scope, form, and content satisfactory to Holder.

6.2.4 *Environmental Notices.* Grantor shall furnish to Holder duplicate copies of all correspondence, notices, or reports it receives from any federal, state, or local agency or any other person regarding environmental matters or Substances at or near the Property, immediately upon Grantor's receipt thereof.

6.2.5 *Condition of Property.* Grantor hereby represents and warrants that there are no wells or septic tanks on the Property serving any other property; no wells or septic tanks on other property serving the Property; no burial grounds, archeological sites, or habitats of endangered or threatened species on the Property; and that no part of the Property is subject to tidal waters; has been designated as wetlands by any federal, state, or local law or governmental agency; or is located in a special flood hazard area.

6.2.6 *Environmental Indemnity.*

6.2.6.1 Grantor shall at all times indemnify and hold harmless Holder and the Trustee against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Holder or the Trustee, whether as beneficiary of this Deed of Trust, as mortgagee in possession, or as successor-in-interest to Grantor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder, with respect to:

- (a) any discharge of Substances, the threat of a discharge of any Substances, or the presence of any Substances affecting the Property whether or not the same originates or emanates from the Property or any contiguous real estate including any loss of value of the Property as a result of any of the foregoing;
- (b) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources; including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws;
- (c) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Property; and/or
- (d) any other environmental matter affecting the Property within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local environmental agency.

Grantor's obligations under this Agreement shall arise upon the discovery of the presence of any Substance, whether or not the Environmental Protection Agency, any other federal agency or any state or local environmental agency has taken or threatened any action in connection with the presence of any Substances.

IN WITNESS WHEREOF, Grantor has caused this Deed of Trust to be duly executed on its behalf and its seal to be hereunto affixed as of the date first above written.

Notary Acknowledgment

EXHIBIT A

PROPERTY DESCRIPTION

EXHIBIT B

PERMITTED ENCUMBRANCES

EXHIBIT L

FRANCHISE AGREEMENT RIDERS FOR MARKET INCENTIVE PROGRAMS

Exhibit L-1

**RIDER TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT TO REFLECT
THE TERMS OF THE CORE MARKET DEVELOPMENT INCENTIVE PROGRAM**

THIS FRANCHISE AGREEMENT RIDER is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“**Company**”), and _____ (“**Franchisee**”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement granting Franchisee the right to operate a Wingstop Restaurant at _____. Company and Franchisee are signing this Rider because they have agreed to modify certain sections of the Franchise Agreement to reflect the incentives offered under a limited-time incentive program for new development (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Franchise Agreement).

2. **Franchise Fee.** Section 3 of the Franchise Agreement is hereby deleted in its entirety.

3. **Royalties.** Section 10(a) of the Franchise Agreement for the Restaurant is hereby amended to read as follows:

(a) In consideration for Franchisee’s continuing use of the Marks and the System, Franchisee agrees to pay Company continuing royalties equal to (i) 3% of Gross Sales during the first 53 weeks of operation of the Restaurant and (ii) 5% of Gross Sales during the remaining term of the Franchise Agreement after the first 53 weeks of operation of the Restaurant.

4. **Conditions.** Franchisee acknowledges and agrees that, if it misses the Scheduled Opening Date of the Restaurant as outlined in the Franchise Agreement, it will forfeit all incentives offered by this Rider relation to the Restaurant.

In such event, Franchisee will be required to pay Company the difference between the \$12,500 Development Fee paid under the Development Agreement and Rider dated _____ and the total Company’s the applicable standard Development Fee (\$8,500) and Franchise Fee (\$16,500 for the first Restaurant or \$10,000 for each subsequent Restaurant in a Development Agreement). This additional amount will be due immediately upon request by Company. Franchisee also will be required to pay Company the standard royalty fee of 5% of Gross Sales for the entire term of the Franchise Agreement of the Restaurant.

WINGSTOP RESTAURANTS INC.

[FRANCHISEE]

James A. Flynn
Chief Executive Officer

[NAME]

Date: _____

Title: _____

Date: _____

CITY, STATE

**RIDER TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT TO REFLECT
THE TERMS OF THE DEVELOPING MARKET INCENTIVE PROGRAM**

THIS FRANCHISE AGREEMENT RIDER is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“**Company**”), and _____ (“**Franchisee**”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement granting Franchisee the right to operate a Wingstop Restaurant at _____. Company and Franchisee are signing this Rider because they have agreed to modify certain sections of the Franchise Agreement to reflect the incentives offered under a limited-time incentive program for new development (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Franchise Agreement).

1. **Franchise Fee.** Section 3 of the Franchise Agreement is hereby deleted in its entirety.

2. **Royalties.** Section 10(a) of the Franchise Agreement is hereby amended to read as follows:

(a) In consideration for Franchisee’s continuing use of the Marks and the System, Franchisee agrees to pay Company continuing royalties equal to (i) 1% of Gross Sales during the first 53 weeks of operation of the Restaurant, (ii) 3% of Gross Sales during the subsequent 52 weeks of operation of the Restaurant, and (iii) 5% of Gross Sales during the remaining term of the Franchise Agreement after the first 105 weeks of operation of the Restaurant.

3. **Advertising Reimbursement.** Under the incentive program, Company has agreed to spend \$8,500 of the Development Fee paid for each Restaurant upon execution of the Development Agreement dated _____ on local brand-building activities surrounding the opening of the Restaurant. If Company believes in its sole judgment that Franchisee will open the Restaurant by its Scheduled Opening Date as outlined in the Franchise Agreement, Company will transfer the \$8,500 to the Ad Fund 60 days before the Restaurant’s Scheduled Opening Date, to be spent by the Ad Fund (under Company’s control) in or for the Restaurant’s market. Company will provide Franchise proof of performance upon written request.

4. **Conditions.** Franchisee acknowledges and agrees that, if it misses the Scheduled Opening Date of the Restaurant as outlined in the Franchise Agreement, it will forfeit all incentives offered by this Rider relation to the Restaurant.

In such event, Franchisee will be required to pay Company the difference between the \$10,000 Development Fee paid under the Development Agreement and Rider dated _____ and the total Company’s the applicable standard Development Fee (\$8,500) and Franchise Fee (\$16,500 for the first Restaurant or \$10,000 for each subsequent Restaurant in a Development Agreement). This additional amount will be due immediately upon request by Company. Franchisee also will be required to pay Company the standard royalty fee of 5% of Gross Sales for the entire term of the Franchise Agreement of the Restaurant and Franchisee will not receive the aforementioned Advertising Reimbursement for the Restaurant.

WINGSTOP RESTAURANTS INC.

[FRANCHSIEE]

James A. Flynn
Chief Executive Officer

[NAME]

Date: _____

Title: _____

Date: _____

**RIDER TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT TO REFLECT
THE TERMS OF THE 2011 DEVELOPING MARKET INCENTIVE PROGRAM**

THIS FRANCHISE AGREEMENT RIDER is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“**Company**”), and _____ (“**Franchisee**”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement granting Franchisee the right to operate a Wingstop Restaurant at _____. Company and Franchisee are signing this Rider because they have agreed to modify certain sections of the Franchise Agreement to reflect the incentives previously offered by Company under a limited-time incentive program for new development. (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Franchise Agreement.)

2. **Franchise Fee.** Section 3 of the Franchise Agreement is hereby deleted in its entirety.

3. **Royalties.** Section 10(a) of the Franchise Agreement is hereby amended to read as follows:

(a) In consideration for Franchisee’s continuing use of the Marks and the System, Franchisee agrees to pay Company continuing royalties equal to (i) 3% of Gross Sales during the first 53 weeks of operation of the Restaurant, (ii) 4% of Gross Sales during the subsequent 52 weeks of operation of the Restaurant, and (iii) 5% of Gross Sales during the remaining term of the Franchise Agreement after the first 105 weeks of operation of the Restaurant.

4. **Advertising Reimbursement.** Under the incentive program, Company agreed to spend \$5,000 of the Development Fee previously paid for the Restaurant on local brand-building activities surrounding the opening of the Restaurant. If Company believes in its sole judgment that Franchisee will open the Restaurant by its Scheduled Opening Date as outlined in the Franchise Agreement, Company will transfer the \$5,000 to the Ad Fund 60 days before the Restaurant’s Scheduled Opening Date, to be spent by the Ad Fund (under Company’s control) in or for the Restaurant’s market. Company will provide Franchisee proof of performance upon written request.

5. **Conditions.** Franchisee acknowledges and agrees that, if it misses the Scheduled Opening Date of the Restaurant as outlined in the Franchise Agreement, it will forfeit all incentives offered by this Rider in relation to the Restaurant.

In such event, Franchisee will be required to pay Company the difference between the \$12,500 Development Fee paid for the Restaurant under the Development Agreement and Rider dated _____ and the total of Company’s then applicable standard Development Fee (\$10,000) and Franchise Fee (\$20,000 for the first Restaurant or \$12,500 for each subsequent Restaurant in a Development Agreement). This additional amount will be due immediately upon request by Company. Franchisee also will be required to pay Company the standard royalty fee of 5% of Gross Sales for the entire term of the Franchise Agreement for the Restaurant (the

reduced royalty referenced in Section 3 of this Rider will not apply) and Franchisee will not receive the aforementioned Advertising Reimbursement for the Restaurant.

WINGSTOP RESTAURANTS INC.

[FRANCHSIEE]

James A. Flynn
Chief Executive Officer

[NAME]

Date: _____

Title: _____

Date: _____

**RIDER TO WINGSTOP RESTAURANTS INC.
FRANCHISE AGREEMENT TO REFLECT
THE TERMS OF THE 2012 DEVELOPING MARKET INCENTIVE PROGRAM**

THIS FRANCHISE AGREEMENT RIDER is entered into by and between Wingstop Restaurants Inc., a Texas corporation (“Company”), and _____ (“Franchisee”).

1. **Background.** Simultaneously with signing this Rider, Company and Franchisee are signing a Franchise Agreement granting Franchisee the right to operate a Wingstop Restaurant at _____. Company and Franchisee are signing this Rider because they have agreed to modify certain sections of the Franchise Agreement to reflect the incentives previously offered by Company under a limited-time incentive program for new development. (All initial capitalized terms used but not defined in this Rider have the meanings given to those terms in the Franchise Agreement.)

2. **Franchise Fee.** Section 3 of the Franchise Agreement is hereby deleted in its entirety.

3. **Royalties.** Section 10(a) of the Franchise Agreement is hereby amended to read as follows:

(a) In consideration for Franchisee’s continuing use of the Marks and the System, Franchisee agrees to pay Company continuing royalties equal to (i) 3% of Gross Sales during the first 53 weeks of operation of the Restaurant, (ii) 4% of Gross Sales during the subsequent 52 weeks of operation of the Restaurant, and (iii) 5% of Gross Sales during the remaining term of the Franchise Agreement after the first 105 weeks of operation of the Restaurant.

4. **Conditions.** Franchisee acknowledges and agrees that, if it misses the Scheduled Opening Date of the Restaurant as outlined in the Franchise Agreement, it will forfeit all incentives offered by this Rider in relation to the Restaurant.

In such event, Franchisee will be required to pay Company the difference between the \$12,500 Development Fee paid for the Restaurant under the Development Agreement and Rider dated _____ and the total of Company’s then applicable standard Development Fee (\$10,000) and Franchise Fee (\$20,000 for the first Restaurant or \$12,500 for each subsequent Restaurant in a Development Agreement). This additional amount will be due immediately upon request by Company. Franchisee also will be required to pay Company the standard royalty fee of 5% of Gross Sales for the entire term of the Franchise Agreement for the Restaurant (the reduced royalty referenced in Section 3 of this Rider will not apply).

WINGSTOP RESTAURANTS INC.

[FRANCHISEE]

James A. Flynn
Chief Executive Officer

[NAME]

Date: _____

Title: _____

Date: _____

RECEIPT

(Keep this copy for your records)

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 Wingstop Restaurants Inc. 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.

[Rhode Island requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If Wingstop Restaurants Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit E.

The franchisor is Wingstop Restaurants Inc. located at 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081. Its telephone number is (972) 686-6500. The franchise sellers for this offering are David Vernon, Bev Rich, Stephen Sweetman, and _____ at Wingstop Restaurants Inc., 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081, (972) 686-6500. *{We will complete blank only if applicable.}*

Issuance Date: May 1, 2012, as amended July 13, 2012 (with the effective dates in franchise registration states as noted on the third page of this Franchise Disclosure Document). We authorize the respective state agencies identified on Exhibit E to receive service of process for us in the particular states. I received a disclosure document from Wingstop Restaurants Inc. dated as of May 1, 2012, as amended July 13, 2012, that included the following Exhibits:

- A. Financial Statements
- B. Development Agreement
- C. Franchise Agreement
- D. Table Of Contents Of Operations Manual
- E. List Of State Administrators
- F. Agents For Service Of Process
- G. Directory Of Franchisees and Franchisees Departing System
- H. Renewal Riders to Franchise Agreement
- I. State Addenda and Development Agreement/Franchise Agreement Riders
- J. Franchisee Representations
- K. Franchise America Finance/Bancorp Bank SBA Loan Program Sample Loan Documents
- L. Franchise Agreement Riders for Market Incentive Programs

Prospective Franchisee:

Prospective Franchisee:

Signature

Signature

Date of Signature

Date of Signature

Printed Name

Printed Name

Street Address

Street Address

City State Zip

City State Zip

RECEIPT

(Sign upon receipt and return to us)

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 Wingstop Restaurants Inc. 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.

[Rhode Island requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If Wingstop Restaurants Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit E.

The franchisor is Wingstop Restaurants Inc. located at 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081. Its telephone number is (972) 686-6500. The franchise sellers for this offering are David Vernon, Bev Rich, Stephen Sweetman, and _____ at Wingstop Restaurants Inc., 1101 E. Arapaho Road, Suite 150, Richardson, Texas 75081, (972) 686-6500. *{We will complete blank only if applicable.}*

Issuance Date: May 1, 2012, as amended July 13, 2012 (with the effective dates in franchise registration states as noted on the third page of this Franchise Disclosure Document). We authorize the respective state agencies identified on Exhibit E to receive service of process for us in the particular states. I received a disclosure document from Wingstop Restaurants Inc. dated as of May 1, 2012, as amended July 13, 2012, that included the following Exhibits:

- A. Financial Statements
- B. Development Agreement
- C. Franchise Agreement
- D. Table Of Contents Of Operations Manual
- E. List Of State Administrators
- F. Agents For Service Of Process
- G. Directory Of Franchisees and Franchisees Departing System
- H. Renewal Riders to Franchise Agreement
- I. State Addenda and Development Agreement/Franchise Agreement Riders
- J. Franchisee Representations
- K. Franchise America Finance/Bancorp Bank SBA Loan Program Sample Loan Documents
- L. Franchise Agreement Riders for Market Incentive Programs

Prospective Franchisee:

Prospective Franchisee:

Signature

Signature

Date of Signature

Date of Signature

Printed Name

Printed Name

Street Address

Street Address

City State Zip

City State Zip